INEO TECH CORP.

(formerly Metron Capital Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at and for the nine months ended March 31, 2020

PREFACE

The following is a management's discussion and analysis ("MD&A") of INEO Tech Corp. (formerly Metron Capital Corp.), prepared as of **May 19, 2020**. This MD&A should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended June 30, 2019 and the accompanying unaudited condensed interim financial statements and related notes thereto for the nine months ended March 31, 2020.

INEO Tech Corp. is a Canadian company incorporated under the laws of the Province of British Columbia on March 4, 2008. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol INEO. The corporate head office and records office of the Company is located at 105 – 19130 24th Ave Surrey, BC, V3Z 3S9.

Completion of the Reverse Takeover (RTO)

Metron Capital Corp. ("Metron") was previously an exploration stage business engaged in the acquisition and exploration of mineral properties located in Canada and the US.

On January 24, 2020, Metron Capital Corp. completed its previously announced reverse takeover transaction with INEO Solutions Inc. ("INEO Solutions") (the "Transaction"), carried out by way of a share exchange (RTO Transaction).

Pursuant to a share exchange agreement dated November 4, 2019, Metron acquired all of the issued and outstanding common shares of the INEO Solutions in consideration for an aggregate of 19,626,409 post-Consolidation Shares at a deemed value of $0.35 per Share.

Metron also issued options to purchase 175,863 Shares at a price of $0.088 per Share in exchange for existing outstanding options of INEO Solutions. On completion of the Transaction, Metron repaid certain outstanding bridge loans of $305,866. As part of the Transaction, Metron also completed a private placement resulting in the issuance of 8,048,498 subscription receipts (the "Subscription Receipts") of the Company at a purchase price of $0.35 per share for gross proceeds of $2,816,974 (the "Offering"). On completion of the Transaction, the Subscription Receipts were automatically converted in accordance with their terms into one Share of Metron and the net proceeds of the Offering were released to Metron from escrow. In addition, Metron issued 262,181 warrants to finders in connection with the Offering, each entitling the holder to acquire one Share of Metron at a price of $0.35 per Share for a period of 24 months from their date of issue.

In connection with the Transaction, Metron consolidated its common shares on the basis of one (1) post-consolidation Share for every 1.6191 pre-consolidation Shares (the "Consolidation").

As part of the transaction Metron changed its name to "INEO Tech Corp." (the "Company" or "INEO"). The Shares commenced trading on the TSX-V under the new ticker symbol "INEO" on January 29, 2020.

With the acquisition of INEO Solutions, the Company's principal business activity changed to providing services and products related to the development and sales of advanced electronic article surveillance system related to products and services to retailers. The Company, through its subsidiaries will carry on the business of INEO Solutions, providing retailers with a patented in-store and online advertising platform that enhances the customer experience, monetizes the entrances of retail stores and protects against retail theft.

Except as otherwise indicated or where the context so requires, references to "INEO" or the "Company" include INEO Tech Corp. and its subsidiaries. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") – see note 2 of the consolidated financial statements for the year ended June 30, 2019 for further information. All dollar figures stated herein are expressed in Canadian dollars ($ or Cdn$), unless otherwise specified.

This MD&A contains forward-looking statements. See Forward-Looking Statements below for further information. See section "Operational Highlights" below for information on the calculation of EBITDA and adjusted EBITDA. See section "Overall Performance and Discussion of Operations – Gross Profit and Gross Margin" for information on the calculation of Gross Profit and Gross Margin.

BUSINESS OVERVIEW

INEO provides retailers with *The Welcoming System*, a patented in-store and online advertising platform that enhances the customer experience, monetizes the entrances of retail stores and protects against retail theft. *The Welcoming System* is a revolutionary cloud-based digital advertising and data analytics system, which sends customized advertising to digital screens integrated with theft detection sensor gates at the entrance of retail stores.

INEO's patented technology integrates high-resolution, advertising-ready LCD screens with an advanced theft-detection sensor system. INEO's security gates replace antiquated anti-shoplifting or loss prevention systems and are used in deterring and catching shoplifters. In addition, INEO's security gates incorporate high-definition camera technology which captures video surveillance to record any incidents or security breaches. The company's cloud-based servers deliver targeted ads, informing customers about products, sales, in-store experiences and specials. Furthermore, INEO provides retailers with a wealth of data related to store traffic and machine-learning powered advanced analytics.

The replacement of retail loss prevention systems with INEO's *Welcoming Systems* is a large market. Research reports estimate that the worldwide retail loss prevention market is worth $9 billion annually (State of Loss Prevention – 2015). More specifically, reports estimate that the loss prevention antenna aspect of the market is worth nearly $2 billion each year (Marketresearchfuture.com – 2018).

Currently, there are over 2.38 million loss prevention pedestals in North America. There are over 528,000 retail locations across North America, spanning a variety of industry verticals, providing a massive market for INEO to distribute and install its products.

As of March 31, 2020, INEO had installed thirty *Welcoming Systems* in B.C. and Alberta. These installations are all within independent liquor stores locations.

On April 7, 2020, INEO announced it received a Notice of Allowance from the United States Patent and Trademark Office ("USPTO") for its patent entitled "COMBINATION MEDIA DISPLAY AND ELECTRONIC ARTICLE SURVEILLANCE PEDESTAL". Subsequently, on April 23, 2020, the Company announced the USPTO granted this patent to INEO under Patent no. US 10,614,691.

Newman Loss Prevention Acquisition

On May 5, 2020, the Company acquired Newman Loss Prevention ("Newman"), an independent reseller of loss prevention products and services in Calgary, Alberta. This was approved by the TSX-V on May 12, 2020. The Company's acquisition of Newman includes acquiring ongoing contracts, customer lists and inventory assets, in exchange for 200,000 common shares (issued on May 13, 2020) in the Company with a future earn-out consideration of another 200,000 INEO common shares upon achievement of certain agreed to milestones.

COVID-19 Business Continuity

As a result of the COVID-19 pandemic, INEO has implemented its business continuity plan, which includes instituting a work from home policy for its employees. Furthermore, the Company has shifted its focus from installations of its *Welcoming Systems* to enhancing its Research and Development efforts on INEO's new *Wireless Welcoming System*. The *Wireless Welcoming System* significantly reduces installation time from over four hours down to one hour.

As of March 31, 2020, INEO's network of thirty *Welcoming Systems* deployed across B.C. and Alberta continue to be operational as they are located within independent liquor stores that have remained open throughout the COVID-19 crisis. This has resulted in the Company recording aggregate foot traffic of over 1.1 million individuals across its entire network for the month of March. INEO's *Welcoming Systems* have been delivering advertisements and public service announcements to customers and collecting valuable foot traffic data metrics while also protecting retailers against theft. Social distancing restrictions have caused a major decline in most other Out-of-Home advertising locations; however, INEO's focus on essential retail has positioned the Company to be one of the few Digital-Out-of-Home advertising options available that allows brands to display their messaging in an impactful way.

In the spirit of contributing to the safety of front-line workers during the COVID-19 pandemic, INEO rapidly re-engineered its idle manufacturing capacity to create clear acrylic cashier protection barriers for retailers and healthcare facilities. A clear acrylic barrier provides the cashier with some protection from inadvertent contact with customers who may have the COVID-19 virus and allows the retailer to remain open.

SUMMARY OF QUARTERLY RESULTS

SELECTED INFORMATION	Q3 31-Mar-20 $	Q2 31-Dec-19 $	Q1 30-Sep-19 $	Q4 30-Jun-19 $	Q3 31-Mar-19 $	Q2 31-Dec-18 $	Q1 30-Sep-18 $	Q4 30-Jun-18 $
Total Revenues, including interest income	80,020	98,536	100,889	119,678	121,543	99,591	83,500	68,599
Net Loss	(7,536,367)	(168,611)	(87,827)	(44,583)	(11,634~~446~~)	(57,438)	(57,386)	(53,501)
Basic and diluted loss per common share	(0.23)	(0.02)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)

OPERATIONAL HIGHLIGHTS

The following selected financial information for the nine months ended March 31, 2020 and the nine months ended March 31, 2019 has been derived from the unaudited consolidated financial statements and should be read in conjunction with the statements and related notes.

OPERATIONAL HIGHLIGHTS		March 31, 2020		March 31, 2019
Sales	$	279,445	$	304,634
Cost of Sales		(95,674)		(79,734)
Gross Profit	$	183,771	$	224,900
Gross Margin		65.8%		73.8%
Net loss before other income (expenses)	$	(688,223)	$	(114,330)
Net loss and comprehensive loss		(7,792,804)		(126,270)
Basic and diluted loss per share		(0.02)		(0.01)
Weighted average number of common shares outstanding (basic and diluted)		19,078,539		12,205,833

Of note, $7,084,833 of the net and comprehensive loss is related to the completion of the RTO transaction (non-cash.)

Despite the emergence of the Covid-19 pandemic, the Company continues to further its goal of developing and refining its Customer Welcoming Systems, consisting of its patented Flashgate digital signage/electronic article surveillance ("EAS") pedestal, and analytics platform. Since mid-March, the company implemented its plan to have all technology employees work from home to minimize personal interaction between employees. This has not resulted in any disruptions to our product development schedule.

While there have been some slow-downs in the Company's supply-chain, the Company has been able to secure commitments for the delivery of components required to produce the Flashgate product and expects to resume production and roll-out in June.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

Sales

The following table shows the details of the Company's sales for the nine months ended March 31, 2020 and 2019:

SALES		March 31, 2020		March 31, 2019
Sales	$	279,445	$	304,634

The company generated $279,445 of revenue for the nine months ended March 31, 2020. This represented a decline in growth of $25,189 (-9.17%) as compared to the nine months ended March 31, 2019. The company attributes this decline on the pandemic, Covid-19. This caused major disruption to the

Company's business model in March 2020. Many of the Company's customers were forced to close stores resulting in little or no demand for the Company's legacy electronic article surveillance ("EAS") systems .

Shortly after the onset of the Covid-19 pandemic, the Company reallocated its engineering and production resources to design and develop an adjustable sneeze-guard product to provide separation between customers and cashiers for its customer base. This information was previously disclosed in a press release on March 23, 2020. Within 7 days of initiating this project, the Company had completed its design and prototyping and began shipping and installing production quality systems. Since the release of the product the Company has shipped several hundred units and this will be reflected in revenues in Q4. In addition, the company has seen an increase in sales for its FG Manufacturing division where it is producing Covid-19 related safety products for its customers.

Gross Profit and Gross Margin

The following table summarizes gross profit and gross margin for the nine months ended March 31, 2020 and 2019:

GROSS PROFIT/GROSS MARGIN		**March 31, 2020**		**March 31, 2019**
Sales	$	279,445	$	304,634
Cost of Sales		(95,674)		(79,734)
Gross Profit	$	183,771	$	224,900
Gross Margin		65.8%		73.8%

The company generated gross profit of $183,771 for the nine months ended March 31, 2020. This represented a decrease of $41,129 (20.03%) as compared to the nine months ended March 31, 2019. The company attributes this reduction on the following:

- Lower sales due to decline in demand following social distancing restrictions in response to the Covid-19 pandemic
- Higher cost to purchase inventory from Asian suppliers as Covid-19 had a negative impact on the rate of USD/CAD.

Expenses

The following is the breakdown of the Company's expenses for the nine months ended March 31, 2020 and 2019:

EXPENSES		March 31, 2020		March 31, 2019
Accounting and legal	$	259,157	$	57,772
Bad debt		-		213
Amortization on property and equipment		17,431		4,852
General and administrative expenses		46,744		33,370
Insurance		3,873		3,182
Investor relations		9,770		4,537
Research and development		10,910		2,275
Freight & Delivery		8,792		7,396
Travel		9,192		2,083
Marketing and research		54,382		36,534
Remuneration and benefits		419,023		137,708
Rent		38,026		37,576
Supplies		15,149		11,732
Total expenses	$	892,449	$	339,230

Accounting and legal expenses increased to $238,700 (2019 - $57,772). The increased expense relates to legal and accounting expenses incurred in finalizing the RTO transaction. Remuneration and benefits increased due to payments to related parties (see Transactions with Related Parties).

Remuneration and benefits increased to $419,023 (2019 - $137,708) as the Company increased its efforts on development and deployment of its current products and system. All expenses for the nine month period, generally increased, as the Company ramped up operations on its development and deployment of current products and systems.

Cash and cash equivalents

For the nine months ended March 31, 2020, the Company experienced an increase in its cash position of $1,563,681 (2019 – decrease by $238,738). This increase is mainly attributed to the funds received on completion of the RTO.

Operating activities

Cash used in operating activities amounted to -$813,598 (2019 -$28,753) mainly driven by repayment of amounts owing to related parties.

Investing activities

Cash used in investing activities amounted to -$84,993 (2019 - $3,886). This pertains to amounts incurred for additional installed units and computer hardware.

Financing activities

Cash provided by financing activities amounted to $2,462,272. This mostly pertains to net amount received from the completion of the RTO. This amount was offset by repayment of loans received from private lenders of $354,703.

Receivables

The following table shows the details of the Company's receivables for the nine months ended March 31, 2020.

RECEIVABLES	March 31, 2020	June 30, 2019
Accounts receivable	$48,591	$69,877
Other receivables	-	24,371
GST recoverable	22,838	803
Receivables	**$71,429**	**$95,051**

Receivables decreased following the decline in sales. More online sales were made exclusively via credit card resulting in a reduction in days sales outstanding.

Inventory

As at March 31, 2020 and June 30, 2019, the Company held inventory of $186,303 and $98,451, respectively. The increased inventory relates to the purchase of trade-consumables that are sold in the normal course to the company's customers. Readily available inventory of all key products resulting in faster fill rates of orders placed by customers is a strategy management believes gives the Company an edge in the marketplace.

Prepaid expenses

As at March 31, 2020 and June 30, 2019, the Company's prepaid expenses amounted to $32,062 and $19,883, respectively. These costs were related the prepayment of supplies from overseas suppliers.

Accounts payable and other current liabilities

The following table summarizes the Company's accounts payable and accrued liabilities as at March 31, 2020 and June 30, 2019:

ACCOUNTS PAYABLE and OTHER CURRENT LIABILITIES		March 31, 2020		June 30, 2019
Accounts payable and accrued liabilities	$	217,879	$	97,223
Bank overdraft				13,922
Current portion of loan payable		41,840		202,116
Accounts payable and other current liabilities	**$**	**259,719**	**$**	**313,261**

The increase in accounts payable and other current liabilities from June 30, 2019 to March 31, 2020 was driven by increased professional fees and payroll liabilities for Receiver General.

Loans

During the nine months ended March 31, 2020, the company had two loans from Business Development Bank of Canada ("BDC") and three loans from private lenders. The first BDC loan for $200,000 was taken on Sept 26, 2017 and had an outstanding balance of $168,970 as of March 31, 2020. The second BDC loan for $50,000 was taken on April 8, 2019 and had and outstanding balance of $50,000 as of March 31, 2020. The private lender loan of $150,000 taken on April 15, 2019 and another private loan of $100,000, taken on October 3, 2019 were both paid including accrued interest, from funds received upon completion of the RTO. One private loan for $100,000 and accrued interest, taken out on December 16, 2016 remains outstanding as of March 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2020, the Company had not yet achieved profitable operations and had an accumulated deficit since inception of $8,392,594. During the nine months ended March 31, 2020, the Company had a net loss of $7,772,349 and spent $836,848 of cash on operating activities. The Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it's ability to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to develop and/or acquire business projects and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. To date, the Company has relied on equity and debt financing to fund its acquisitions. Upon completion of the RTO transaction, the Company was able to raise $2,816,974 which will be used to fund its continued growth. The Company believes that additional funding may still be required and could come in the form of equity, debt and or convertible debt; however, there is no assurance that such additional funding will be available when and as needed. The Company's access to sufficient capital will impact its ability to continue its Mergers & Acquisitions activities. For further information, see section "Financial Instruments and Other Instruments" below.

TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured, unless specified.

As at March 31, 2020, the Company has $8,750 due to related parties (June 30, 2019 - $206,808)

DUE TO RELATED PARTIES		**March 31, 2020**		**June 30, 2019**
President, Director and Corporate Secretary	$	-	$	75,096
Spouse of President		-		131,712
CFO		8,750		-
	$	8,750	$	206,808

During the periods ended March 31, 2020 and 2019, the Company had the following transactions with related parties:

Type of Service		**March 31, 2020**		March 31, 2019
Accounting fees	**$**	**33,419**	$	-
Legal fees		**3,317**		-
Remuneration and benefits		**128,076**		-
Total	**$**	**164,812**	$	-

- Accounting fees of $33,419 (2019 - $Nil) was paid to a company controlled by the CFO.
- Legal fees of $3,317 (2019 - $Nil) was reimbursed to the President, Director and Corporate Secretary.
- Remuneration and benefits consist of $64,038 paid to the President, Director and Corporate Secretary (2019 - $Nil) and $64,038 paid to the CEO (2019 - $Nil).

COMMITMENTS

Surrey Warehouse

On February 4, 2020, the Company through its subsidiary, INEO Solutions Inc, entered into a 5-year lease agreement for leased premises (3,360 sq. ft.) in Surrey, British Columbia, commencing March 3, 2020 and ending on February 4, 2025. The minimum base rent is $11.75 per sq. ft. per month with escalation rate of $0.25 per sq. ft. per month per annum. In accordance with IFRS 16, the Company recognized right-of-use asset of $155,260 as at March 3, 2020 equal to the present value of all remaining lease payments. The Company depreciates the right-of-use assets on a straight-line basis, over the remaining lease term.

Consequently, the Company recognized a lease liability equal to the present value of the lease payments to be made over the lease term, using the borrowing rate on the Company's existing loans. As at March 31, 2020, the balance of the lease liability – current is $22,033 and lease liability – noncurrent is $127,947.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 2 of the audited consolidated financial statements as at and for the year ended June 30, 2019 and the notes to the unaudited consolidated financial statements as at and for the nine months ended March 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions as of reporting date. The Company completed its RTO transaction with INEO Solutions on January 24, 2020 – see section PREFACE.

FINANCIAL RISK MANAGEMENT

Fair value risk

The Company's financial instruments consist of cash, trade receivables, other receivables, bank overdraft, accounts payable, due to related parties and loans payable.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data

Trade receivables, other receivable, bank overdraft, accounts payable and due to related party approximate their fair value due to their short-term maturities. Cash and bank overdraft under the fair value hierarchy are based on Level 1 quoted prices in active markets for identical assets or liabilities. The fair value of the loan payable also approximates its carrying value due to the fact that interest rates approximate market rates.

Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and price risk and are disclosed as follows:

i. **Currency risk**

Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has only a nominal amount of assets or liabilities denominated in foreign currencies and engaged in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is limited.

ii. **Interest rate risk**

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company is subjected to the risks of fluctuation of the variable interest rates ("Prime") of certain of its loans payable. The Company continue monitoring its exposure to the Prime and it is comfortable to this exposure given the relative low fluctuation of the bank interest rates in Canada.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All the Company's cash is held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. The Company's GST recoverable and other receivable are refunds due from the Government of Canada and the exposure to credit risk on these amounts are considered to be limited.

The Company's accounts receivable consists of amounts due from various customers. The maximum exposure to credit risk is equal to the carrying value of accounts receivable. The business models of the Company's respective segments require analysis of credit risk specific to each business line. The Company's historic rate of bad debts is low.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables are assessed primarily on days past due combined with the Company's knowledge of past bad debts. During the nine months ended March 31, 2020, the Company has recognized a bad debts expense of $nil (March 31, 2019 - $213).

Liquidity risk

As at March 31, 2020, the Company's cash balance was $1,636,517. The Company manages its liquidity risk by attempting to maintain sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. Accounts payable, loans payable and accrued liabilities and amounts payable to related parties are all current. As the Company has limited sources of revenue, it may require additional financing to accomplish its long-term strategic objectives.

CAPITAL STOCK

The authorized capital of the Company consists of an unlimited number of common shares without par value.

During the period ended March 31, 2020, the Company had the following capital stock transactions:

i) The Company had 20,733,928 common shares issued and outstanding prior to the RTO. Upon completion of the RTO, the Company consolidated its common shares on a 1.6191:1 basis from 20,733,928 to 12,798,721 post-consolidation shares (Note 4).

ii) As part of the RTO, the Company completed a private placement resulting in the issuance of 8,048,498 shares at $0.35 per share. In addition, the Company issued 262,181 warrants to finders in connection with the transaction.

iii) Also, upon completion of the RTO, the Company issued 19,626,409 shares to shareholders of INEO Solutions (Note 4).

As at March 31, 2020, the Company has 40,480,740 common shares issued and outstanding.

Options

On January 24, 2020, pursuant to the RTO (Note 4), the Company granted 175,863 options to stockholders of INEO in exchange of the existing INEO options held by said shareholders. Each option is exercisable to acquire one common share at a price of $0.089. The options vest immediately and have an expiry date of January 23, 2025.

On April 15, 2020, the Company granted 2,750,000 options to directors, officers and employees of the Company with an exercise price of $0.26 per share. The Company also granted 500,000 options to a consultant with an exercise price of $0.35 per share.

Warrants

On January 24, 2020, the Company issued 262,181 warrants valued at $4,262 in connection with the RTO (Note 4). The warrants have an exercise price of $0.35 and expire on January 23, 2024. The fair value of the warrants granted were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions: volatility rate of 100%, risk-free rate of 1.49%, dividend yield of 0% and weighted average life of 2 years. The fair value of the share warrants is recorded as share issuance costs charged against share capital.

RISKS AND UNCERTAINTIES

The Company's management believes that the following risks are among the most important in order to understand the issues that face its financial performance, business and its approach to risk management. The risks presented below may not be all of the risks that the Company may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. The market in which the Company currently competes is competitive and can change rapidly. Sometimes new risks emerge, and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

Limited Operating History

INEO Solutions began carrying on business in 2016 and to date, has generated all revenue from its legacy businesses. The Company, is therefore subject to many of the risks common to early-stage enterprises, including under- capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees such as Greg Watkin and Kyle Hall, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- non-performance by third party contractors;
- developing technology is subject to change;
- competition;
- inability to acquire sufficient financing to fund operations;
- cyber-attacks on the Company's operating systems;
- loss of intellectual property rights on its proprietary software;
- increases in materials or labor costs;
- foreign exchange risks and currency fluctuation;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;

- contractor or operator errors;
- labor disputes, disruptions or declines in productivity;
- inability to defend and costs in defending potential breaches of intellectual property rights;
- inability to attract sufficient numbers of qualified workers; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Company may not have product or sufficient product to meet the anticipated demand or to meet future demand when it arises.

Additional Financing

On January 24, 2020, the Company completed its previously announced reverse takeover transaction with the INEO (the "Transaction"). In connection with the Transaction, the Company completed an offering (the "Offering") of 8,048,498 subscription receipts (the "Subscription Receipts") at a price of CDN $0.35 per Subscription Receipt for aggregate gross proceeds of CDN $2,816,974. On completion of the Transaction, the Company repaid certain outstanding bridge loans in the amount of $305,666. As of report date, the Company has enough funds to meet its current obligations.

In order to execute the further growth strategy, the Company may require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. the Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

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

Inability to achieve or obtain profitability

The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, it will not be profitable.

Competition

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

It is possible that the Company will face additional competition from new entrants. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and customer support. the Company may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Dependence on Personnel

Due to the technical nature of its business and the dynamic market in which the Company competes, its success depends on its ability to attract and retain highly skilled developers, technology, engineering, managerial, marketing and sales personnel. In particular, the Company's future success depends in part on the continued services of each of its current executive officers and other key employees. Competition for qualified personnel in the technology space is intense. Management believes that there are only a limited number of persons with the requisite skills to serve in many key positions and it is difficult to hire and retain these persons. The loss of one or more of these key personnel may have a significant adverse effect on the Company's sales, operations, technological development and profits.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Variable Revenues / Earnings

The revenues and earnings of the Company may fluctuate from quarter to quarter, which could affect the market price of the Company's Common Shares. Revenues and earnings may vary quarter to quarter as a result of a number of factors, including the timing of releases of new products or services, the timing of substantial sales orders or deliveries, activities of the Company's competitors, cyclical fluctuations related to the evolution of technology, possible delays in the manufacture or shipment of current or new products, concentration in the Company's customer base, and possible delays or shortages in component supplies.

Suppliers

The Company has relationships with suppliers and service providers upon which it depends to provide critical components for its products and services. In the event that the Company is unable to maintain these relationships or establish relationships with new suppliers or service providers as required, the availability, pricing and quality of its products and services may be adversely affected causing an adverse effect on the Company's business, operating results and financial condition. Relationships with third-party suppliers and service providers expose the Company to risks associated with the integrity, quality, reputation, solvency and performance of such parties.

Operating Risk and Insurance Coverage

The Company has insurance to protect its assets, operations and employees. While Management believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company may be exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if it were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the proposed directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Privacy

The Company may be subject to scrutiny and regulation from legislative bodies with regards to the information that is collected within its systems. To reduce this risk, the Company has taken a proactive approach to consumer and data privacy with its "Transparent Privacy Philosophy" that clearly spells out what is done with personal information:

- The Company does not sell, trade or give away your personal data. That includes your name, address, cell-phone information, credit cards, facial recognition or other biometric imprints.
- The Company anonymizes any limited data it collects. That means, no matter what, anyone who gets our data when you enter or leave a store won't be able to tie it to any person.
- The Company uses our anonymized data to try and build insights into how people shop, how stores operate and what both parties in that equation might want. But we stick to our promise to keep individual identities totally private.
- The Company adheres to the legislative standards of the privacy acts in all jurisdictions in Canada:
    a. British Columbia - *Personal Information Protection Act.*
    b. Alberta - *Personal Information Protection Act.*
    c. Quebec - *The Privacy Act*

   d. Canadian *Personal Information Protection and Electronic Documents Act* (PIPEDA) for all other jurisdictions in Canada

- The Company follows the foundational principles of *Privacy by Design*, the Canada-made data privacy protocols set out by former Ontario Privacy Minister Anne Cavoukian, Ph.D.
- When you contact or enter into a discussion with the Company your identity and what you discuss will always be held in complete confidence, following all the above standards.
- the Company constantly seeks to be on the forefront of progressive privacy policies. And we will be transparent about where we sit on this important and evolving public interest issue.
- Your privacy matters to you. And that means it matters to the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

The market price of the Company's Common Shares may be subject to wide price fluctuations

The market price of the Company's Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company and its subsidiaries, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Company's Common Shares.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

Upon completion of the Acquisition, the Company's Common Shares will be listed on the Exchange, however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Technology

The Company operates in a highly competitive environment where its hardware and other products and services are subject to rapid technological change and evolving industry standards. the Company future success depends on its ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customers' increasingly sophisticated needs. the Company's products embody complex technology that may not meet those standards, changes and preferences. If the Company is unable to respond to technological changes, fails or delays to develop products in a timely and cost-effective manner, its products and services may become obsolete, and the Company may be unable to recover its research and development expenses which could negatively impact sales, profitability and the continued viability of the business.

Intellectual Property

In spite of the patent on the Company's proprietary technology, unauthorized parties may attempt to copy aspects of its products or to obtain information that is proprietary. Policing unauthorized use of proprietary technology, if required, may be difficult, time-consuming and costly. If a third-party misappropriates the Company's intellectual property, the Company may be unable to enforce its rights. If the Company is unable to protect its intellectual property against unauthorized use by others, it could have an adverse effect on its competitive position. the Company may be challenged by allegations of its infringement of the intellectual property of others. There is no assurance that the Company will be successful in defending such claims and, if it is unsuccessful, there is no assurance that the Company will be successful in obtaining a license for the intellectual property in question. Intellectual property claims are expensive and time consuming to defend and, even if they are without merit, may cause delay in the introduction of new products or services. In addition, the Company's managerial resources could be diverted in order to defend its rights, which could disrupt its operations.

Proprietary Protection

The Company's success will depend, in part, on its ability to enforce patent rights, maintain the confidentiality of trade secrets and unpatented know-how, and to operate without infringing on the proprietary rights of third parties or having third parties circumvent the Company's rights. the Company relies on a combination of patented technology, contract, copyright, trademark and trade secret laws, confidentiality procedures and other measures to protect its proprietary information. There can be no assurance that the steps taken will prevent misappropriation of the Company's proprietary rights. The Resulting Issue's competitors could also independently develop technology similar to its technology. Although the Company does not believe that its products or services infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against us, or that any such assertions or prosecutions will not materially adversely affect our business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on its business.

Liability Claims

The Company may be subject to claims arising from the use of its products and services. the Company's products are complex and sophisticated and, from time to time, may contain design defects that are difficult to detect and correct. There can be no assurance that errors will not be found in the Company's products or, if discovered, that we will be able to successfully correct such errors in a timely manner or at all. Correcting such errors and failures could require significant expenditure of capital. The sale and support of the Company's products and services may entail the risk of substantial product liability or warranty claims in the event of errors or failures. A product liability claim could adversely impact the Resulting Issue's business due to the cost of settlements and due to the costs of defending such claims.

Credit Concentration and Credit Risk

The Company intends to provide credit to its customers in the normal course of operations. Credit risk arises from the potential that a customer or counterparty will fail to meet its contractual obligations. the Company is exposed to credit risk from its customers on its trade receivables and unbilled revenue. Accounts receivable include amounts due from its retail customers, which exposes the Company to risk of non-payment. the Company estimates probable losses on a continuing basis and records a provision for such losses based on the estimated realizable value. Although the Company will attempt to manage its credit risk exposure, there is no assurance that this provision will be adequate.

Foreign Exchange

As Management anticipates that the Company's business will expand with increased global sales, it is expected that it may be necessary to transact sales in foreign currencies other than Canadian dollars, thus exposing the Company to foreign currency risk.

General Economic Conditions

The Company's results could be adversely affected by changing economic conditions in the countries in which it operates. The market turmoil and tightening of credit in the United States and Europe in 2008 and 2009 led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, cuts in government spending, increased market volatility and widespread reduction of business activity generally. There can be no guarantees that the countries in which the Company operates will not experience similar economic conditions, and to the extent such markets experience an economic deterioration, the resulting economic pressure on the Company's customers may cause them to end their relationship with the Company, reduce or postpone current or expected purchase orders for its products, or suffer from business failure, resulting in a decline in our revenues and profitability that could be material. Continued difficult or uncertain economic conditions could adversely affect the Company's revenue and profitability.

Market Demand for the Product and Services

The Company's success is dependent on its ability to market its products and services. There is no guarantee that its products and services will remain competitive. There is no guarantee the Company will be able to respond to market demands. If the Company is unable to effectively develop and expand the market for its products and services, its growth may be adversely affected.

Stock Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's securities will be affected by such volatility. the Company's stock price may also experience significant fluctuations due to operating performance, performance relative to analysts' estimates, disposition or acquisition by a large shareholder, a lawsuit against the Company, the loss or acquisition of a significant customer or distributor, industry-wide factors and factors other than the operating performance of the Company. These factors, among others, may cause decreases in the value of the Company's Common Shares.

Government Regulations

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

Industry Growth

There can be no assurance that the Company's targeted vertical and geographic markets will grow, or that the Company will be successful in establishing ourselves in new vertical and geographic markets. If the various markets in which its products compete fail to grow, or grow more slowly than is currently anticipated, or if the Company is unable to establish itself in new markets, its growth plans could be materially adversely affected.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they become due. the Company facilitates this in part by maintaining a line of credit with a major Canadian bank.

Accounting Estimates

the Company prepares its financial statements in Canadian dollars in accordance with International Financial Reporting Standards ("**IFRS**"). Management makes various estimates and assumptions in determining the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses for each year presented. The significant estimates include testing for impairment of goodwill and provision for warranty. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain events.

Internal Controls

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, the system of internal controls over financial reporting is not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements.

Public Health Crisis

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, the 2019 novel coronavirus ("COVID-19") surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak then characterized it as a pandemic on March 11, 2020. The outbreak has spread throughout Europe and the Middle East and there are currently escalating cases of COVID-19 in Canada and the United States, causing companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Similarly, we cannot estimate whether or to what extent this outbreak and potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in global supply chains, business operation and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, labor shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). At this point, the extent to which COVID-19 may impact the Company is uncertain; however, it is possible that COVID-19 may have a material adverse effect on the Company's business and financial condition. If the Company is unable to mitigate the impacts of the COVID-19 outbreak on its operations, they may be unable to fulfill their product delivery obligations to customers, their costs may increase, and their revenues and margins could decrease.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, the Company's operational goals, expected costs, objectives, growth strategies, merger and acquisition program, customer deployment schedule, advertising and analytics revenue uptake, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include the highly competitive nature of the Company's industry, government regulation and funding and other such risk factors described herein and in other disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The factors underlying current expectations are dynamic and subject to change.

Although the forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this MD&A are qualified by these cautionary statements. Other than specifically required by applicable laws, we are under obligation and we expressly disclaim any such obligation to update or alter the forward-looking statements whether as a result of new information, future events or otherwise except as may be required by law. These forward-looking statements are made as of the date of this MD&A.

CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its projects and products; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that may be engaged in the similar business of developing technologies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On February 3, 2020, Steve Matyas has joined the INEO Board of Directors.

Current Directors and Officers of the Company are as follows:
Greg Watkin, President, Director and Corporate Secretary
Kyle Hall, Chief Executive Officer, Director
Steve Matyas, Director
Gurminder Sangha, Director
Jurgen Wolf, Director
Zara Kanji, Chief Financial Officer

OUTLOOK

The Company's objective is to maximize the value of the Company for our shareholders, and our strategy to obtain this result is to focus on project evaluations and project generation. To proceed with this strategy, additional financings may be required during the current fiscal year. The company continues to execute on its 2020 growth strategy by focusing on the following:

- Organic growth
    - deploying more *INEO Welcoming Systems* to the Company's existing customer base acquired from Provent
    - increasing digital media sales of advertising on *INEO Welcoming Systems*
    - increasing sales of supplies (tags & labels) through our web-based sales channel
- Inorganic growth
    - the acquisition of other EAS vendors and resellers similar to Provent across North America