TEVANO SYSTEMS HOLDINGS INC.

Management's Discussion & Analysis

For the three months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars, except where noted)

This Management's Discussion & Analysis ("MD&A") of Tevano Systems Inc. ("Tevano" or the "Company") supplements, but does not form part of the unaudited condensed interim consolidated financial statements and the notes thereto for the three months ended September 30, 2022 and 2021 (collectively referred to hereafter as the "Interim Financial Statements").

The Interim Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). As such, the Interim Financial Statements do not include all of the information required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the years ended June 30, 2022 and 2021, in addition to any new accounting policies applicable for the period ended September 30, 2022.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of and for the periods presented in the filings.

In this MD&A, "Tevano", the "Company", or the words "we", "us", or "our", collectively refer to Tevano Systems Inc. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended June 30, 2023 and 2022 are referred to as "Fiscal 2023" and "Fiscal 2022", respectively. All amounts are presented in Canadian dollars.

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's financial statements.

Information in this MD&A is prepared as of November 28, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations, or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

Global Pandemic

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities as it can result in operating, supply chain and project development delays that can materially adversely affect the operations of the Company. The Company's revenues and cash flows from operations are dependent upon the market for, and attitudes toward adoption of the Company's Health Shield product. Uncertainty regarding the future sales of the Health Shield product may result in a material adverse impact on the Company's results of operations, financial condition. The extent to which the coronavirus may positively or negatively impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

DESCRIPTION OF BUSINESS

Tevano was incorporated on April 12, 2018, under the British Columbia Business Corporations Act. On July 22, 2020, the Company changed its name from Tevano Payment Systems Inc. to Tevano Systems Inc. The Company's head office and principal address is Suite 1303 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "TEVO" and on the Frankfurt exchange under the symbol "7RB".

Tevano is in the business of designing, developing, marketing, and selling self-service kiosks for non-physical contact monitoring, temperature testing and dispensing hand sanitizer for the post-COVID-19 environment. Tevano is also currently pursuing other business ventures in the technology sector.

Share consolidation

On June 13, 2022, the Company completed a consolidation of its common shares on a three and one-half (3.5) to one (1) basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

Q1 2023 HIGHLIGHTS AND OVERALL PERFORMANCE

Mutual termination of Software Development Agreement

On September 16, 2022, the Company and Caza, LLC ("Caza"), mutually agreed to terminate the software development agreement. The software development agreement was initially entered into on December 21, 2021, and amended on June 28, 2021, for back-end design, development, testing and assistance for cyber security technology.

Per the termination agreement, the Company transferred all intellectual property acquired from Illuria and developed by Caza during the software development agreement period. In return, the former shareholders of Illuria returned 2,627,993 common shares of the Company and certain liabilities were transferred to Caza. The shares were canceled and returned to the treasury.

Overall performance

As at September 30, 2022, the Company had cash of $7,390 (June 30, 2022 - $6,187), and a working capital deficiency of $1,067,166 (June 30, 2022 - $942,381).

For the three months ended September 30, 2022, cash used in operating activities was $36,591 (2021 - cash used of $288,881), and cash provided by financing activities was $40,000 (2021 - cash used of $18,330).

The Company reported a net loss of $60,097 during Q1 2023 compared to $720,993 during Q1 2022. These changes over the prior period were primarily driven by cost-cutting measures in insurance, investor relations, marketing, professional fees, and share-based compensation, but offset by increases in consulting fees and rent expense.

RESULTS OF OPERATIONS

	For the three months ended	
	September 30, 2022	September 30, 2021
	$	$
Revenue	**1,305**	1,499
Cost of sales	**(3,584)**	(14,609)
Gross loss	**(2,279)**	(13,110)
Operating expenses		
Consulting fees	**171,123**	118,358
Depreciation	**738**	15,301
Exchange fees	**8,918**	10,772
Insurance	**3,180**	54,036
Investor relations	**16,931**	125,539
Marketing	**124**	40,779
Office	**7,118**	27,314
Professional fees	**36,620**	166,527
Share-based compensation	**54,064**	335,129
Rent	**20,844**	-
Technology development	**-**	109
Travel	**5,001**	10,022
Total operating expenses	**324,661**	903,886
Loss from operations	**326,940**	916,996
Accretion	**396**	69,593
Foreign exchange loss	**17,626**	1,221
Gain on change in fair value of derivative liabilities	**-**	(23,163)
Gain on shares returned to treasury	**-**	(244,351)
Gain on termination on software development agreement	**(284,942)**	-
Interest expense	**77**	1,734
Other income	**-**	(1,037)
Net loss	**(60,097)**	(720,993)
Foreign currency translation adjustment	**(2,206)**	(14,343)
Comprehensive loss	**(62,303)**	(735,336)

Q1 2023 compared to Q1 2022

The Company generated revenue of $1,305 compared to $1,499 in the prior year comparable period. Revenue was comprised of the recognition of the deferred revenue over the period. Cost of sales was $3,584 (Q1 2022 - $14,609) which consisted of the cost of cloud storage fees. During the current period, the Company generated a gross loss of $2,279 compared to $13,110 in the prior year comparable period.

The Company had operating expenses of $324,661 compared to $903,886 in the prior year comparable period. The primary drivers of this decrease in expenses were as follows:

- Consulting fees increased to $171,123 compared to $118,358 in the prior year comparable period, resulting from increased compensation paid to consultants for initiatives pertaining to the search for alternative business ventures and strategic opportunities that may offer a path to providing shareholder returns.
- Insurance expense decreased to $3,180 compared to $54,036 in the prior year comparable period resulting from the management's cost cutting initiatives.
- Investor relations expense decreased to $16,931 compared to $125,539 in the prior year comparable period as a result of decreasing engagement with advertising firms and consulting services to potential investors as part of the management's cost-cutting initiatives.
- Marketing expenses decreased to $124 compared to $40,779 in the prior year comparable period, resulting from management's cost-cutting initiatives.
- Professional fees decreased to $36,620 compared to $166,527 the prior year comparable period. The decrease is a result of lower accounting and legal fees while the Company's management searches for alternative ventures.
- Share-based compensation expense decreased to $54,064 compared to $335,129 in the prior year comparable period attributable to fewer vesting stock options in the period.
- Accretion expense decreased to $396 compared to $69,593 in the prior year comparable period relating to the settlement of the Company's convertible and promissory notes in the prior year.

Change in fair value of derivative liabilities are recognized through profit and loss, which resulted in a gain of $23,163 in Q1 2022. As a result of a debt settlement agreement with INEX, which was executed in Q3 2022, the derivative liabilities associated with the convertible promissory note and convertible note were settled. Therefore, there are no changes in fair value recognized in Q1 2023.

On September 16, 2022, the Company and Caza mutually agreed to terminate a software development agreement. Per the termination agreement, the Company transferred all intellectual property acquired and developed by Caza during the software development agreement period in exchange for 2,627,993 common shares of Tevano with a fair value of $157,680. The Company also transferred $127,262 of technology development costs payable to Caza. The resulting gain of $284,942 was recorded as gain on termination of software development agreement.

2023 OUTLOOK AND STRATEGIC OBJECTIVES

The Company is currently evaluating a number of potential strategic opportunities including seeking to identify, evaluate and acquire assets, properties or businesses to bring value to its shareholders.

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the last eight most recently completed quarters:

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
	$	$	$	$
Total assets	**45,385**	74,874	352,822	566,716
Working capital surplus (deficiency)	**(1,067,166)**	(942,381)	(550,757)	(755,938)
Loss for the period	**60,097**	585,891	201,009	2,930,013
Loss per share	**(0.00)**	(0.02)	(0.00)	(0.13)

	Q1 2021	Q4 2021	Q3 2021	Q2 2021
	$	$	$	$
Total assets	1,068,963	1,614,593	3,559,722	2,141,201
Working capital surplus (deficiency)	(180,612)	368,427	2,714,911	1,766,674
Loss for the period	720,993	3,765,337	3,884,498	738,345
Loss per share	(0.03)	(0.17)	(0.27)	(0.07)

The quarterly trend in total assets and working capital is primarily driven by movements in cash balance related to the Company's financing activities and spending on corporate costs. The quarterly trend in loss for the period and loss per share is primarily driven by the Company's corporate costs and technology development costs.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means, including the issuance of equity and/or debt.

The Company's 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. As at September 30, 2022, the Company had a working capital deficiency of $1,067,166 (June 30, 2022 - $942,381), has not yet achieved profitable operations, and has an accumulated deficit of $17,327,441 (June 30, 2022 - $17,317,378).

As at September 30, 2022, the Company had a cash balance of $7,390 (June 30, 2022 - $6,187) to settle current liabilities of $1,109,337 (June 30, 2022 - $1,013,303), which presents significant liquidity risk.

These circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern. The ability of the Company to meet its obligations and continue as a going concern is dependent on the Company's ability to obtain additional financing through debt or equity.

Sources and Uses of Cash

	Q1 2023	Q1 2022
	$	$
Net cash used in operating activities	**(36,591)**	(288,881)
Net cash provided by (used in) financing activities	**40,000**	(18,330)
Effect of exchange rate changes on cash	**(2,206)**	(14,343)
Net increase (decrease) in cash	**1,203**	(321,554)
Cash, beginning of period	**6,187**	677,976
Cash, end of period	**7,390**	356,422

Cash used in operating activities in Q1 2023 was primarily driven by the cash payments on accounts payables and corporate operating expense. In comparison, cash used in operating activities in Q1 2022 is due to the increased activities in developing the Company's Health Shield technology and in consulting, investor relations, and professional fees related to going public transaction.

Cash provided by financing activities in Q1 2023 was driven by the issuance of a convertible promissory note to a related party, while cash used in financing activities in Q1 2022 relates to lease payments.

There were no cash flows pertaining to investing activities in Q1 2023 and Q1 2022.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at September 30, 2022 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at September 30, 2022 or at the date of this MD&A.

INVESTOR RELATIONS

The Company has entered into contracts with investor relations firms to promote and market the Company to potential investors. The costs are expensed as the Company incurred the services rendered in investor relations expense. As at September 30, 2022 and at the date of this MD&A, the Company is engaged with a number of investor relations firms in Canada for marketing to potential investors.

RELATED PARTY TRANSACTIONS

Key management personnel comprise of the officers, directors, and founders of the Company.

During the three months ended September 30, 2022 and 2021, the remuneration of the key management personnel are as follows:

	2022	2021
	$	$
Consulting fees paid to officers and directors	**161,124**	118,358
Share-based compensation paid officers and directors	**42,041**	287,091
Total	**203,165**	405,449

(1) Related parties include INEX and Caza LLC

Amounts due to related parties as at September 30, 2022 and June 30, 2022 are as follows:

	September 30, 2022	June 30, 2022
	$	$
Accounts payable and accrued liabilities	**392,642**	213,533
Convertible promissory note	**26,934**	-
Shareholder loan	**30,000**	30,000
Total	**449,576**	243,533

Accounts payable and accrued liabilities and shareholder loan due to related parties relate to ongoing corporate overhead costs and are non-interest bearing, due on demand.

During the period ended September 30, 2022, the Company issued a convertible promissory note to an officer of the Company

At September 30, 2022, receivables included $5,500 advanced to a related party (June 30, 2022 - $5,500). The advance is non-interest bearing and there are no specified terms of repayment.

FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial risk management policies have been established in order to identify and analyse risks that the Company faces, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company employs risk management strategies to ensure risks and related exposures are consistent with our business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for our risk management framework, our management has the responsibility to administer and monitor these risks.

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 (i.e.: as prices) or indirectly (i.e.: derived from prices); and
Level 3: Inputs that are not based on observable market data.

As at September 30, 2022, the Company had no financial instruments carried and measured at fair value.

The carrying values of cash, receivables, accounts payable and accrued liabilities, promissory note, and shareholder loan approximate their respective fair values due to the short-term nature of these instruments.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. As at September 30, 2022, the Company expects to recover the full amount of cash.

Receivables consists of trade receivables, sales tax recoverable (GST) from the Canadian Revenue Agency and an advance to a related party. The Company records lifetime expected credit losses against trade receivables and does not consider there to be any material risk against non-collection of trade receivables recorded at September 30, 2022.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had a cash balance of $7,390 (June 30, 2022 - $6,187) to settle current liabilities of $1,109,337 (June 30, 2022 - $1,013,303).

Foreign currency risk

The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian Dollar could have a significant impact on the Company's financial position, results of operations, and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of cash, trade payables, convertible notes, and derivative liabilities) denominated in US dollars. The table below summarizes the net monetary assets and liabilities held in foreign currencies, expressed in Canadian dollars:

	September 30, 2022	June 30, 2022
	$	$
US dollar monetary assets	**3,054**	2,830
US dollar liabilities	**(263,581)**	(360,421)
US dollar net liabilities	**(260,527)**	(357,591)

As at September 30, 2022, Management has determined the Company's exposure to foreign currency risk to be at an acceptable level.

Interest rate risk

The Company has a convertible promissory note with an interest rate of 10%. The Company regularly monitors its cash management policy. Management has determined interest rate risk to be low as the interest rate on the convertible promissory note is fixed.

Capital management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company's capital consists of all components of shareholders' equity.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources for its operations and to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company monitors capital on the basis of maintaining sufficient cash flow to comply with financial obligations. During the period, the Company's strategy, which was unchanged from the prior period, was to issue sufficient additional shares from treasury to meet all such obligations. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at the date of this MD&A, the Company has the following securities outstanding:

	#
Common shares [(1)]	24,721,778
Share options	1,757,139
Warrants	2,264,285
Special warrants	2,857,143

(1) Common shares include 4,238,700 shares held in escrow, 2,131,018 shares subject to a voluntary pooling agreement, and 655,714 shares subjected to voluntary hold period.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's Interim Financial Statements have been prepared in accordance with IFRS as issued by the IASB and IFRIC, effective as at September 30, 2022. The Company's significant accounting policies are described in Note 3 of the Company's audited consolidated financial statements for the years ended June 30, 2022 and 2021.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's critical accounting estimates and judgements are described in Note 2 of the Company's Interim Financial Statements and Note 2 of the Company's audited consolidated financial statements for the years ended June 30, 2022 and 2021.

ADDITIONAL INFORMATION

Additional information relating to Tevano Systems Holdings Inc., including the Company's Annual Information Filing is available on SEDAR at www.sedar.com.

RISK FACTORS

The common shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in the Company's Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Company's common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment. The possible sale of common shares released from escrow on each release date could negatively affect the market price of the Company's common shares and also result in an excess of sellers of common shares to buyers of common shares and seriously affect the liquidity of the common shares.

These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended June 30, 2022 and 2021.