

**MANAGEMENT’S DISCUSSION AND ANALYSIS
OF THE COMPANY’S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
AS AT AND FOR THE THREE-MONTHS ENDED AUGUST 31, 2023**

FORM 51-102F1

DATE AND SUBJECT OF THIS REPORT

This Management Discussion & Analysis (“MD&A”) is effective as of October 30, 2023 and is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Certive Solutions Inc. and its subsidiaries (“Certive” or the “Company”) as at and for the three-months ended August 31, 2023. The MD&A should be read in conjunction with the Company’s condensed consolidated interim financial statements and related notes thereto as at and for the three-months ended August 31, 2023 and with the Company’s audited consolidated financial statements and related notes thereto as at and for the year ended May 31, 2023.

The Company was incorporated on June 11, 2010, under the laws of the Province of British Columbia. The Company changed its name to Certive Solutions Inc. in October 2013 to pursue sales and marketing opportunities as a business process management solution focused on hospital revenue cycle management in the U.S. healthcare industry. The Company’s operational headquarters (and mailing address) is located at 8149 N. 87th Place, Scottsdale, Arizona 85258. The Company reports its financial results in U.S. dollars and under International Financial Reporting Standards (“IFRS”).

The Company is publicly traded on the Canadian Securities Exchange (CSE: CBP). Effective September 16, 2014, the Company’s shares began trading on the Frankfurt Exchange (FWB: 5CE) and on July 15, 2015, the Company’s shares were quoted on the OTCQB Capital Markets in the United States under the trading symbol “CTVEF”. As at August 31, 2023, and as of the date of this MD&A, the Company has two wholly-owned subsidiaries: Advantive Information Systems Inc. (which is dormant) and Certive Health Inc. (“CHI” formerly known as “Certive Technologies, Inc.”) each operating as independent subsidiaries of the Company. On August 26, 2021, CHI changed the name of its wholly owned operational subsidiary Omega Technology Solutions Inc. to Certive Health Revenue Solutions Inc. (“CHRS”) and on July 14, 2021, CHI formed a new wholly owned operational subsidiary Certive Health Compliance Solutions Inc. (“CHCS”).

OVERALL PERFORMANCE

During the three-months ended August 31, 2023 and the subsequent period up to and including the date of this MD&A, there were no significant or material events that occurred other than as reported herein. All amounts expressed herein are in U.S. dollars. As reported in this MD&A, the Company, its primary operational subsidiary CHI and its subsidiaries continue to operate below breakeven sales with negative cash flows; however, given the recent sales contracts and sales prospects that have been identified in the past few months, management believes that CHI may reach breakeven during the coming year.

Assuming that the Company's past due debt convertible promissory notes totaling \$2,214,631 can be refinanced, it is projected that over the following three-months after the date of this MD&A, the Company will require a minimum cash infusion of \$300,000 to cover routine operating costs and its other short-term obligations. As more thoroughly described elsewhere in this MD&A, the Company received funds covering its working capital needs during the three-months ended August 31, 2023, as follows:

- (1) On October 29, 2021, the Company's Board of Directors approved a new non-brokered \$1M Private Placement, which the Board amended on December 22, 2022. The funds received from this Offering shall primarily be utilized for the purpose of establishing and funding (seeding) its newly created subsidiary CHCS and providing working capital for the Company. The Offering will be forty \$25,000 "Units" and each Unit shall consist of the following:
 - a. 312,500 common shares of Certive at a deemed value of \$0.08/share;
 - b. 156,250 Share Purchase Warrants exercisable in shares of Certive at \$0.14/share for up to 2-years;
 - c. From the date the funds are received from the investor through the Offering's closing, the investor will accrue interest at the rate of 10% per annum on a simple interest basis. At the Offering's closing, the accrued interest will be settled with the issuance of additional shares of Certive at a deemed value of \$0.08/share.

During the three-months ended August 31, 2023, \$50,000 of funds were received by the Company intended to be invested in this Offering; and

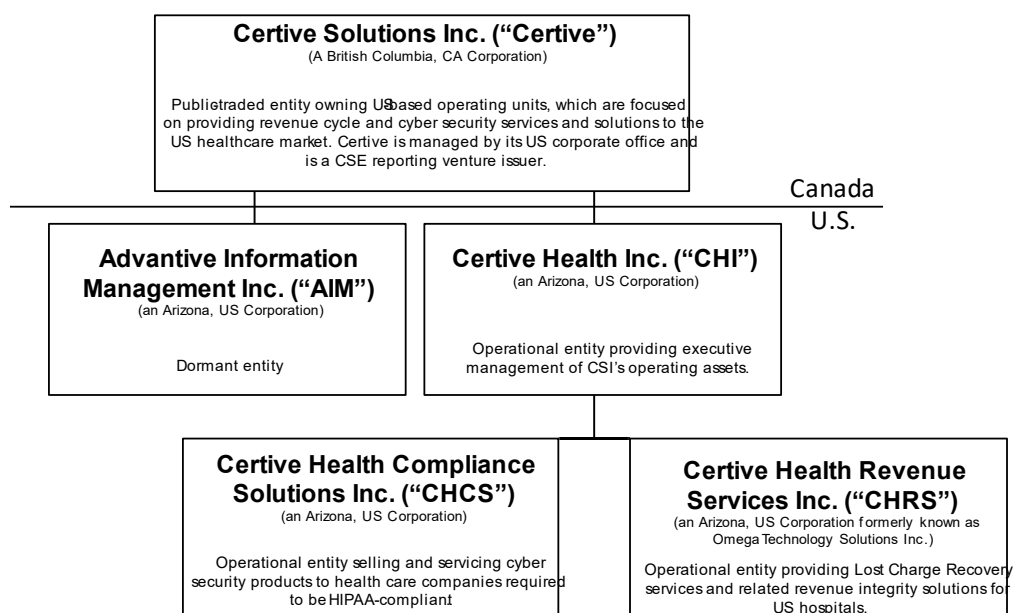
- (2) The Company received noninterest-bearing advances, payable on demand, in the amount \$84,629 from two Officers and Directors of the Company.

Since early 2020, the outbreak of the novel strain of coronavirus ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. It now appears that the emergency measures, vaccinations, boosters, anti-bodies and new treatments have curbed the worldwide threat. However, the duration and potential impact of the COVID-19 and its variants remain unknown. At this time, additional fiscal stimulus in the United States is being considered by Congress. In addition, States are in various stages of distributing vaccines from a number of manufacturers. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Based on the above factors and others, readers should be aware of the auditors' going concern qualification by referring to Note 1 of the Company's audited consolidated financial statements as at and for the year ended May 31, 2023.

ORGANIZATIONAL STRUCTURE – OPERATING DIVISIONS

As at August 31, 2023 and continuing to the date of this MD&A, the Company’s primary operations are provided by its subsidiary, CHI, which includes its wholly-owned subsidiary, CHRS, which is well positioned in the hospital revenue cycle market providing charge accuracy and chart review revenue integrity solutions primarily for hospitals in the U.S. healthcare industry. Management’s strategic plan for growing CHRS and the anticipated results of the strategic plan are discussed elsewhere in this MD&A. On July 14, 2021, CHI formed a new wholly owned subsidiary Certive Health Compliance Solutions Inc.



Summary Statements of Loss for the three-months ended August 31, 2023 by Division:

| | <u>CHRS</u> | <u>CHCS</u> | <u>Certive</u> | <u>Total</u> |
|---------------------------|------------------|----------------|--------------------|--------------------|
| Revenue | \$366,221 | \$- | \$- | \$366,221 |
| Cost of Revenue | (247,209) | - | - | (247,209) |
| Gross Loss | 119,012 | - | - | 119,012 |
| Operating Expenses | (119,760) | (122) | (214,310) | (334,192) |
| Interest Expense | (2,128) | (30) | (223,116) | (225,274) |
| Other Income, net | - | - | (5) | (5) |
| Net Loss | <u>\$(2,876)</u> | <u>\$(152)</u> | <u>\$(437,431)</u> | <u>\$(440,459)</u> |

The Company is continuing to implement initiatives associated with completing a market, product and operational analysis, completing an inbound marketing strategy, leveraging the Company’s competitive advantages and strong market presence, enhancing its onboarding procedures for new business – all to drive sales growth and cash flows. In addition, the Company implemented specific cost containment measures both at the operational and corporate levels.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with International Financial Reporting Standards (IFRS), is derived from the Company's financial statements.

| | May 31, 2023 | Year ended: May 31, 2022 (Restated) | May 31, 2021 |
|--|----------------|---|---------------|
| Revenue | \$1,270,374 | \$1,200,668 | \$1,756,176 |
| Expenses, net | (\$2,940,505) | (\$3,826,939) | (\$3,799,552) |
| Net loss | (1,670,131) | (\$2,626,271) | (\$2,043,376) |
| Total assets | \$477,475 | \$600,987 | \$709,992 |
| Current liabilities | (\$9,779,218) | (\$7,390,993) | (\$8,301,935) |
| Non-current liabilities | (\$1,166,604) | (\$2,315,320) | (\$150,000) |
| Shareholders' deficit | (\$10,468,347) | (\$9,105,326) | (\$7,741,943) |
| Net loss per common share (basic and diluted) | (\$0.01) | (\$0.02) | (\$0.01) |

SELECTED QUARTERLY INFORMATION

The following tables summarize the results of operations for the four-quarters ended August 31, 2023 and August 31, 2022:

| | Aug. 31, 2023 | Three-months ended: May 31, 2023 | Feb. 28, 2023 | Nov. 30, 2022 |
|--|--------------------|-------------------------------------|--------------------|--------------------|
| Revenue | \$366,221 | \$329,765 | \$304,580 | \$332,764 |
| Expenses, net | \$806,675 | \$918,712 | \$770,198 | \$798,662 |
| Loss from continuing operations | (\$440,454) | (\$588,820) | (\$465,618) | (\$465,898) |
| Non-recurring gain (loss) | (\$5) | \$468,224 | (\$43,538) | (\$1,174) |
| Net loss | <u>(\$440,459)</u> | <u>(\$120,660)</u> | <u>(\$509,156)</u> | <u>(\$467,072)</u> |
| Net loss per common share (basic and diluted) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) |

| | Three-months ended: | | | |
|---|---------------------|----------------------|--------------------|--------------------|
| | Aug. 31, 2022 | May 31, 2022 | Feb. 28, 2022 | Nov. 30, 2021 |
| Revenue | \$303,266 | \$259,102 | \$321,377 | \$356,353 |
| Expenses, net | \$883,767 | \$1,340,311 | \$1,097,606 | \$927,196 |
| Loss from continuing operations | (\$580,501) | (\$1,081,209) | (\$776,229) | (\$570,843) |
| Non-recurring gain (loss) | \$7,258 | (\$173,978) | \$328,546 | \$171,062 |
| Net loss | <u>(\$573,243)</u> | <u>(\$1,255,187)</u> | <u>(\$447,683)</u> | <u>(\$399,781)</u> |
| Net loss per common share (basic and diluted) | (\$0.00) | (\$0.01) | (\$0.00) | (\$0.00) |

IMPORTANT ACTIONS BY MANAGEMENT AND THE COMPANY'S BOARD

Material Events That Occurred During the Year Ended May 31, 2023:

The Company raised funds to provide working capital during the year ended May 31, 2023, as follows:

- The Company received \$225,000 from investors intended for the Company's current private placement Offering.
- Two Officers and Directors of the Company advanced funds and/or directly paid expenses of the Company totaling \$562,000, which are included in accounts payable.
- On July 18, 2022, a lender elected to convert a promissory note with total principal and accrued interest of \$24,213 into 403,543 shares of the Company's common stock at \$0.06/share.
- On October 14, 2022, a lender and the Company entered into an agreement to extend the due date of a \$90,000 convertible promissory note originally dated November 24, 2017 and due on November 24, 2019. The note's amended due date is May 31, 2023.
- In October 2022, the escrow agent (attorney) sent \$40,000 of restricted cash to the US Treasury Department, Internal Revenue Service, towards payment of payroll withholding taxes due for the quarter ended September 30, 2017.
- On December 18, 2022, 750,000 retention stock options granted by the Company's Board of Directors three years prior to the Company's CEO and CFO fully vested. Such stock options were exercised by them at CDN\$0.05/share in January 2023.

- On December 22, 2022, the Company's Board of Directors approved management's recommendation to amend its current \$1M non-brokered private placement offering (originally approved by the Board of Directors on October 29, 2021) of the Company's common stock from shares being issued at \$0.10/share to \$0.08/share. In addition, the original inclusion of 1/800 ownership of CHCS was eliminated from the offering.
- On December 22, 2022, the Company's Board of Directors also approved management's recommendation to amend the repayment source for a prior Offering of four-year 12% convertible promissory notes from 1/3 of the net revenue received from its contract with its former client Tower Health to utilizing 1/4 of the revenue received from its new Diagnostic Related Groups ("DRG") Review Services line of business.
- On April 26, 2023, the Company held its Annual General and Special Meeting of its Shareholders whereby nearly 57% of the Company's outstanding shares were voted. The Company presented its Audited Consolidated Financial Statements as at and for the years ended May 31, 2022 and 2021. In addition, the Company's shareholders set the Board at five Directors re-electing Marreel, Hyland, Thomas, Schweitzer and Wareham. The Company's shareholders approved Davidson & Company LLP as the Company's new independent accountants. Also, the Company's shareholders ratified the Company's Stock Option Plan.
- On May 1, 2023, the Company's Board met and re-elected Tom Marreel as the Company's Chair and CEO, Tim Hyland CFO and Treasurer, Scott Thomas Senior VP – Investor Relations and Mike Miller, Corporate Secretary and Chief Legal Officer of the Company. Jeff Wareham was re-elected Chair of the Company's Audit Committee and Sheila Schweitzer was elected Chair of the Company's Governance, Compensation and Nominations Committee.
- On May 1, 2023, the Company's Board granted 200,000 stock options to the Company's independent Directors, which vest in 1-year, and are exercisable at CDN\$0.05/share and expire in 10-years.
- On May 24, 2023, the Company's Board approved a debt settlement offer for professional services to the company's current and former consultants, vendors, employees and officers & directors. As a result, the Company issued 7,460,000 shares of stock settling \$596,800 of debt at a deemed value of \$0.08/share.
- Also, in May 2023, a lender to the Company converted a convertible promissory note with principal and accrued interest of \$66,453.56 into 1,107,559 shares of stock at its conversion rate of \$0.06/share.

Material Events That Occurred During the three-months ended August 31, 2023:

- The Company raised funds to provide working capital as follows:
 - Two Officers and Directors of the Company advanced funds and/or directly paid expenses of the Company totaling \$84,629, which are included in accounts payable.
 - The Company received \$50,000 of funds intended to be invested in the Company's current private placement Offering.

Material Events That Occurred Subsequent to August 31, 2023:

- The Company raised funds to provide working capital as follows:
 - Two Officers and Directors of the Company advanced funds and/or directly paid expenses of the Company totaling \$127,200, which are included in accounts payable.
 - The Company received \$50,000 from lenders to the Company in 10% Demand Notes intended for the Company's Offering of \$1 million. Of such amount, \$nil was received from Officers and Directors of the Company.
 - The Company received \$40,000 from a lender in the form of a short-term loan.
- During September 2023, the Company and Magnolia Point LLC, a Delaware limited liability company, entered into a Shareholders Agreement effective July 12, 2023 forming Magnative Health Inc., an Arizona corporation. The Company will initially own 61.11% and Magnolia Point LLC will initially own 38.89% of Magnative Health Inc.

THE BUSINESS OF CERTIVE HEALTH INC. ("CHI")

CHI's Mission and Vision

CHI's mission is to make healthcare better by applying its People-Equity and Capital to provide solutions in the healthcare communities it serves.

CHI's vision is to leverage its people's experience, expertise, and relationships in the US healthcare sector.

**CERTIVE HEALTH ASSEMBLED A GREAT HEALTHCARE TEAM
AND WE ARE BUILDING A GREAT HEALTHCARE COMPANY AROUND IT**



Leadership, Board of Directors, and Advisory Council are comprised of hand-picked achievers who have built, grown and sold healthcare companies. All are investors in the company – all have significant networks. Their collective experience, expertise, and relationships, is the People-Equity upon which the company was founded.

Advisory Council · Governance · Management

CHI's Markets

Certive's hospital revenue cycle expertise, coupled with its expanding visibility and relationships within the health care industry, is opening the door to many new opportunities. Certive is being approached for relationships with several providers of cutting-edge technologies and services that are looking for entry into the healthcare marketplace. This is also leading to an expansion of Certive's Advisory Council with additional healthcare and business professionals committed to developing programs and services that will expand and improve healthcare resources in the communities we serve.

Certive Health Revenue Solutions (CHRS), a wholly owned subsidiary of CHI, provides revenue cycle solutions to Hospitals via Certive Health's Lost Charge Recovery and DRG Integrity Analysis Solutions. These Solutions increase Hospital revenues to help assist in funding for increasing labor, supplies, and drug expenses. Both Solutions recover additional patient revenue from the payers (Medicare, Medicaid, Insurance). Certive provides the training of clients' staff to increase compliance and efficiency.

Certive Health Compliance Solutions (CHCS), a wholly owned subsidiary of CHI, has an exclusive business relationship with TechSlayers LLC, which is a veteran owned and operated Cybersecurity Innovator in Phoenix, AZ. CHCS has an exclusive business relationship with TechSlayers for all business verticals in the United States and Canada. The contractual relationship of the two parties is evergreen with annual renewals to sell TechSlayers' Patented Cyber products. TechSlayers' product is the only patented framework to test Cyber Defenses and validate data compliance with methods real hackers use. Both parties continue to develop Cybersecurity technology solutions, and services platforms for the cyber market and both parties intend to provide remediation consulting services to the clients that need assistance.

Inner Immersion Inc. (III) is an Arizona private company in which CHI has minority interest. III was founded to bring a Behavioral Health program and tool to Licensed Mental Health Professionals (LMHPs) using a proprietary virtual platform built by Certive Health's technology partner Magnolia Point. CHI provides management, leadership, financial, legal, and guidance for Inner Immersion Inc. The Inner Immersion program is a tool that can be used universally by LMHPs to help accelerate the identification of the core issues of their patients.

CHI and its technology partner Magnolia Point are in the startup phase of a new business opportunity. Both parties have agreed to create a new company called Magnative Health under the majority shareholder CHI's umbrella. Magnative Health will pursue to build a new piece of technology that will help ease the stress on the Hospital Transfer Centers and Emergency Rooms. This idea came from two of CHI's advisory council members who have 20+ years of experience in Hospital Emergency Rooms and Transfer Centers. The current healthcare provider system is the issue since it lacks efficiency and the correct data to move patients seamlessly throughout the system. Magnative Health is building a technology driven solution that will deliver the patient in the most optimal and timely manner to receive care within the hospital system. This in turn will help increase efficiencies across the hospital system including patient care and satisfaction.

Certive Health Revenue Solutions

CHRS has a preponderance of new products, services, and technology capabilities that the company believes will play into the future model of healthcare. Our strategic focus was based upon CHRS' possession of unique capabilities and intellectual property that provide accurate results and competitive advantages for these services. This creates an opportunity for near-term margins and other revenue cycle services. This, combined with a ripe market, leads management to believe that there is an opportunity for significant revenue growth in a scalable business model. For the planning period, CHRS will focus exclusively on the following services:

Lost Charge Recovery Services

CHRS's Lost Charge Recovery service provides an economically strategic solution to hospitals across the US.

Key features of the Lost Charge Recovery service:

- Comprehensive revenue opportunity identification using CHRS's specially developed proprietary software.
- Complete outsourcing of the work from clinical review through rebilling and collection.
- Provide ongoing education to our clients and provide stopgap recommendations.

Diagnostic Related Groups (DRG) Validation Review

CHRS's DRG Validation review is conducted utilizing a pre or post bill chart review. The criteria utilized for chart selection is algorithm based and supports ICD-10 coding compliance. If recommendations are made for DRG change, communication will be addressed with coders and/or designated individuals at the hospital. A summary of the findings will be submitted to the Executive team at the facility, reporting the number of charts reviewed, the number of recommended changes, the actual number of changes and the revenue change. DRG education will be provided if indicated.

CHRS's Key Assets:

- Proprietary Technology Platform - Built over the last 20+ years.
- Clinicians (RNs) - Specifically trained by CHRS staff to conduct clinical chart audits.
- Scalability - New technology and staffing partnerships.
- Connectivity to Market - Leadership and Advisory Council members have connectivity to several healthcare markets that suit CHRS's niche market.
- Proven Results – CHRS has helped its clients gain additional revenue by collecting millions through our proprietary technology solutions.
- Hospital Data - CHRS has been collecting substantial amounts of hospital data for the last 20+ years.

Certive Health Compliance Solutions (CHCS)

CHCS's new partnership with TechSlayers came about through one of Certive's investors, bringing the two parties together to discuss how Certive can bring TechSlayers products and services to the healthcare market. Bringing these products and services to the healthcare market opens a significant revenue stream for Certive due to the high level of market demand for cyber security services. Developing partnerships such as this is becoming an evolving part of our product strategy. Our goal is to ensure our partners and customers have secure and compliant IT platforms with a high level of certainty. CHCS's offering of products is focused specifically on protecting companies as well as individual clients at home private networks. With CHCS's offering you will receive:

- Initial report
 - Recon - Redacted or with CVE
 - Cost based on redacted or showing vulnerability.
- Consultation with client
- Remediation plan – TechSlayers to start, Certive onward.
- Monthly fee – Per device

This service offering allows both companies and individuals to bring a state-of-the-art cybersecurity system into their respective environment. These products help protect all company assets as well as all home network assets, keeping the client as least vulnerable as possible.

Inner Immersion Inc.

Inner Immersion Inc. (III) is a U.S. private company in which CHI has minority interest. III was founded by an individual by the name of Jose Hernandez. Jose was introduced to Certive's CEO through a mutual friend and fellow entrepreneur in the summer of 2022. Certive's expertise and guidance will help III create a business model to bring Jose's Inner Immersion program to the Mental/Behavioral Health market.

III has retained CHI to provide advising, management and leadership guidance in the areas of:

- Accounting & Finance
- Business & Product Development
- Legal & Capital Formation Consulting
- Technology Architecture & Marketing Solutions

At the closing of the III \$800,000 current Offering, CHI will receive up to 14% ownership stake into III and will receive a monthly management fee.

III was formed to bring a Mental/Behavioral Health program and tool to Licensed Mental Health Professionals (LMHPs) by using a proprietary virtual platform to conduct the Inner Immersion program. The Inner Immersion program was created through a profound near-death experience that would permanently alter the ways in which we viewed healing, recovery, and self-transformation. What started as a personal journey, has successfully evolved into a modality that supports significant breakthroughs, builds resiliency, and creates hope. The Inner Immersion program has been successfully done by over 2,000 individuals and has been perfected over the past 20 years.

III's mission has three main goals:

- To bring an accessible and highly effective behavioral health program to people across the world who are seeking a personal transformational experience.
- To provide all LMHPs/facilitators an effective virtual platform and tool to conduct the Inner Immersion program for their clients.
- To provide clients with an evidence-based mindfulness program from a certified and trained LMHP that includes art-focused interaction, breathwork, meditations, sound therapy, and eye movements.

III offers a powerful tool for LMHPs and a program for recovery centers, hospitals, corporations, and public organizations, who are looking to improve outcomes by transforming staff and client experiences in a dynamic way.

The Inner Immersion program employs aspects of psychotherapeutic interventions including:

- Mindfulness
- Breathwork
- Art-based Interventions
- Color and Sound Modalities
- Eye Movement

These interventions and modalities in turn help the LMHPs create a precise treatment plan for their patients once the first group Immersion session is complete. The Inner Immersion program helps LMHPs identify their client's/patient's core issues and once they have been identified the LMHP shares their story to their client/patient to help build trust, foster resiliency, and confidence within their client/patient.

III's technology platform is being built by CHI's technology partner Magnolia Point. This virtual platform allows III to scale the Inner Immersion program effectively by allowing trained and certified LMHPs to conduct and provide the Inner Immersion program group and one-on-one sessions virtually to their clients/patients. The platform offers a client/patient portal that will allow clients/patients to interact with their LMHP, have access to their art and interpretations, modules, meditations, and other necessary aspects. The LMHP portal is used by LMHPs to be able to interact and keep track of all their clients/patients progress throughout their time in the program. Another key aspect of this platform is the ability to take all the data and warehouse it to analyze and validate the Inner Immersion programs abilities.

III has signed a contract to begin a pilot program for First Responders in Arizona beginning the month of or after November of 2023.

Business Development

Certive Health Revenue Solutions (CHRS)

CHRS will continue to sell its revenue solutions directly to prospects through known and trusted relationships. Through its current officers and directors contacts CHRS has influence with healthcare C-Suite executives throughout the U.S. In addition, Certive's advisory council has connectivity and relationships with health systems, healthcare consultants, revenue cycle vendors and technology partners. CHRS also deploys business development advisors who are contract representatives with healthcare relationships and content knowledge of revenue cycle services.

CHRS is in discussions with a global healthcare company that partners with their clients to transform healthcare with innovative revenue cycle services and outsourcing solutions. CHRS has a strong interest in partnering with this organization, which would help increase efficiency, process, revenues, cash flows and reduce costs. This organization would help both parties compete for larger healthcare system prospects since they are not a direct competitor of CHRS. The organization has a multitude of hospital clients throughout the U.S. and with our relationship with the executives of said organization, CHRS is exploring the viability of subcontracting our services to their health system clients. This partnership brings clinically enabled capabilities to scale with future CHRS customer needs, data analytics for improved patient outcomes and financial performance.

Certive Health Compliance Solutions (CHCS)

CHCS will utilize a cybersecurity veteran who has 30+ years of experience working as an Executive Director of Infrastructure and Security Engineering for healthcare companies and organizations. Most notably for the last 5 years working for a Fortune 10 healthcare organization. CHI brought this individual in to help lead and launch CHCS with TechSlayers products/services through his years of expertise and guidance. CHI has also appointed a business developer to assist CHCS in bringing this new service offering to the market. CHCS is currently targeting high net-worth individuals to help secure their personal at-home cyber infrastructures as well as their businesses. CHCS is looking to utilize its C-Suite connectivity and business advisors to access the healthcare markets to sell these cyber products, while focusing on hospitals and other healthcare entities.

Inner Immersion Inc.

The Inner Immersion program has been successfully conducted with 2,000+ individuals seeking a personal transformational experience. CHI and III are looking to bring the Inner Immersion program to opportunities in Arizona, Florida, and British Columbia, CA. III has had great success in administering the Inner Immersion program in recovery centers in British Columbia and is looking to bring the program to centers in Arizona and Florida. This will gain more market awareness of the Inner Immersion program opening more doors for III to have discussions with first responder groups, homeless, Native American communities, hospice care, and hospitals.

Magnative Health

For the next six months, Magnative Health will be focused on building the technology for a major health system in Arizona. With the success of the pilot with the contracted entity, Magnative Health and the contracted entity will then look to move to market and sell this technology to additional hospital and healthcare systems across the US.

DISCUSSION OF THE OPERATIONS OF CHI

CHI's People Equity - Management and Governance

The current Board Members and Officers of the Company include:

1. Tom Marreel, Chairman and CEO, for 30+ years has held senior positions in all areas of the health plan side, including founder and CEO of his own company. He was a senior executive at Schaller Anderson, a health management and consulting company, that was sold to Aetna in 2007.
2. Tim Hyland, Director, CFO & Treasurer, for 30+ years has been an experienced executive in healthcare finance, business development and mergers and acquisitions. He was Schaller Anderson's CFO for 13 years and has served on the national board of HFMA.
3. Jeff Wareham, Director & Chair of the Audit Committee, is a former Vice President of Industrial Alliance Securities, and is currently CEO of Catch Capital Partners, and a director of Bold Ventures Inc, a TSX-V listed company.
4. Scott Thomas, Director, Senior VP of Investor Relations, for 25+ years has experience in the financial industry as a broker, Trader and Hedge Fund Manager. He is a venture capitalist and private investor who works with management to drive solutions to create stakeholder value.
5. Sheila Schweitzer, Director, Chair of the Governance, Compensation & Nominations Committee, is co-founder Blue Ox Healthcare Partners (BOHCP), formed as a private equity investment firm providing capital to growth stage healthcare companies. Over the past 30+ years, Sheila has generally focused on the hospital revenue cycle management industry. In such capacity, Sheila has founded several companies and has held numerous executive and association leadership roles over her professional career. In 2020, Sheila joined the Company's Advisory Council becoming an advisor to the Company's current CEO and CFO. 2007.

6. Michael Miller, Corporate Secretary & Chief Legal Officer, for 40+ years has extensive experience in the legal profession serving as General Counsel for multiple major companies. He also served in senior management capacities and created environmental insurance programs.

CHI's People Equity - Advisory Council

The Company has assembled an Advisory Council consisting of experienced senior healthcare executives who have built, lead, and sold significant enterprises in the healthcare market, and possess broad complimentary skills. The Advisory Council, their network of executive leads, subject matter experts, and the extended network of experienced healthcare talent at the “doer” level is an asset for Certive. The purpose of the Advisory Council is to provide direction, guidance, and special project-based support to management in the design and implementation of business strategies aimed at creating an overall near and long-term enterprise value. The Advisory Council was formed, specifically, to assist the CHI's management in determining the best strategies to affect growth in an ever-changing U.S. healthcare market.

Current members of the CHI's Advisory Council, who have all invested in the Company, include:

1. Dr. Arthur Pelberg, an internal medicine specialist, served as the President and Chief Medical Officer of Schaller Anderson from 1999 to 2007 and brings to the Company rich clinical and senior level healthcare operations experience.
2. Jack Chapman is a nationally recognized Revenue Cycle Management expert and consultant to the healthcare provider community.
3. Steve Schramm, the founder of Optumas, an actuarial analysis organization for large healthcare purchasers. Mr. Schramm's background brings to Certive the knowledge to use sophisticated actuarial and analytics toolsets that provide customers with meaningful information health data.
4. Don Gilbert has an extensive background in healthcare in the State of Texas where he served as Secretary of Health and Human Services under Governor George W. Bush.
5. Michael Marshall, CEO of e5 Workflow Inc., provides to Certive, operational capabilities in revenue cycle management with hands on expertise in all aspects of this industry.
6. Jeffrey Benton is currently the managing director of Fairfield Advisors, a hedge fund specializing in market structure arbitrage and volatility strategies. Mr. Benton is a former Governor of the New York Stock Exchange and has served on several New York Stock Exchange committees.
7. Dr. “J.J.” Linder is a graduate of the Washington University School of Medicine in St. Louis, Missouri (1996). Most recently, Dr. Linder is Chairman of Emergency Medicine at Chandler Regional Medical Center (2012-Present); Medical Staff President (2018-Present); and Past-Member Ethics Committee.

8. John Orsini is currently the Senior Vice President and Chief Financial Officer of Northwestern Memorial HealthCare (NMHC). Mr. Orsini has proven expertise in the strategic financial management of multi-hospital health systems and brings with him more than 30-years of health care finance experience.
9. Sheila Schweitzer is a five-time healthcare entrepreneur with 30+ years of experience in the healthcare industry. She has in-depth success as a C-level executive, investor, and advisor.
10. Tim Bricker is a senior executive in leading hospitals and health systems in the western United States for 25 years. He has overseen significant growth initiatives leading to a market share increases, developed several innovative partnership arrangements with physician groups, freestanding emergency department providers, and ambulatory services providers.

Members of CHI's Advisory Council have all invested in Certive and are committed to assisting in charting its course organically and through growth by acquisition.

DISCUSSION OF THE OPERATIONS OF CHRS

Description of CHRS's Industry

REVENUE CYCLE MANAGEMENT FOR HOSPITALS - A DEFINITION

All healthcare providers in the United States depend on three types of payment sources: self-pay by the patients, insurance company benefit payments and government-based programs (Medicare and Medicaid). The process of billing and collecting such payments has grown more complex over the years as insurance and governmental programs have become more intricate. The uninsured and the higher deductible insurance policies have forced a greater need to collect payments directly from patients. Many hospitals lack the technical sophistication to adequately bill and collect from these various payment sources. Revenue Cycle Management (RCM) systems have developed, over the past twenty years, how to address the needs of hospitals and other healthcare providers. The RCM process is composed of the following segments:

1. Scheduling and Eligibility
2. Pre-Registration and Financial Clearing
3. Admitting, Registration
4. Point of Service Charge Capture
5. Case Management
6. Coding
7. Pre-Billing and Billing
8. Submission to Payers - Patients and Third-Party Payers
9. Payment Posting

10. Denial and Payment Analysis

11. Self-Pay and Collections

Description of CHRS's Business

CHRS REVENUE INTEGRITY ANALYTICS PLATFORM

Revenue Integrity Analytics provide retrospective claim audits and lost charge services. CHRS uses a proprietary process that utilizes a unique combination of revenue integrity analytics and enables workflow technology. This ensures that every claim that has the potential to yield additional revenue is properly audited and that each claim is audited for accuracy and errors. This yields superior returns for our clients. CHRS's unique Revenue Integrity Analytics platform captures more missed charges, underpayments, and claim errors than any competitor in the market. This market is large and can drive significant revenue and margins for CHRS.

CHRS also offers OCExaminer™ missing charge capture software and claim scrubber on a SaaS basis as well its ChargeMASTER™ analysis tool. The market for competing claims scrubbers is quite competitive with annual recurring licensing fees of \$20K and long 7-year contracts make it a difficult business to penetrate. Both service offerings will be looked at for future repositioning in the market. One example of a possible repositioning of OCE is the ability to consistently find more claims errors on Medicare and Medicaid outpatient claims than competing solutions. If CHRS were to focus the sales efforts of this product on these government plans, it would be a reasonable assumption that the strong performance would telegraph through to engagements in the more lucrative commercial lost charge recovery business. Both services are used internally as part of our Revenue Integrity Analytics service offering.

2023 - 2024 CHRS - STRATEGIC PLAN OVERVIEW

Focus

CHRS has a preponderance of new product, service, and technology capabilities with some that play into the future model of healthcare. A strategic decision has been made to focus, almost exclusively, on growing the Lost Charge Recovery services and underpayments based on our Revenue Integrity Analytics platform. This strategic decision was based on the fact, CHRS possesses unique capabilities and intellectual property that provide accurate results and competitive advantages for these services. This creates an opportunity for near term margins and other revenue cycle services. These combined with a ripe market, leads management to believe that there is an opportunity for significant revenue growth in a scalable business model. For the planning period, CHRS will focus exclusively on the following services:

Charge Accuracy Audits

The charge accuracy audits include audits of patient charts against the medical records to capture charges for services that were performed but not billed to payers. Fees are usually based on a percent of the lost charges that are recovered.

Claim Audit and Recovery

The claim audit and recovery include the retrospective review of payments made from payers based on the contracts. This identifies underpayments based on improper billings by the hospital, improper contract interpretation by the payers and appeals of claim denials. Fees are usually based on a percentage of additional revenues paid to the hospital because of the audits and appeals.

Product Marketing and Service Line Enhancements

Using contemporary product marketing concepts, CHI will evaluate, plan, and implement client desired features to our Revenue Integrity Analytics platform. This makes it easier to use, integrating with their current process, and deliver BI dashboards in a “light” user interface model.

Marketing

CHRS will market lines of services through multiple channels to create awareness and brand identity with supporting data and documentation for every channel pursued. Our major marketing tools will be our digital platform along with more traditional marketing through speaking engagements at conferences and reference articles and referrals, etc. This digital marketing presence targets not only potential clients but investors and potential collaborators as well.

1. Search engine optimization (SEO)
2. Search engine marketing (SEM)
3. Content marketing
4. Social media marketing (SMM)
5. Pay-per-click advertising (PPC)
6. Affiliate marketing

There are 1,500 targeted hospitals in the U.S. that have applicability to the service offering. Each target has been assessed based upon CHRS’s proven assessment analytics using commercially available and reported data on the hospital targets in the American Hospital Directory. CHRS has made significant investments in revenue integrity analytics technology that is the foundation for its delivery of revenue services and cloud products that identify revenue opportunities and address compliance issues. CHRS’s solutions deliver real-time analysis and recovery of unidentified charges not captured and billed by the hospital, and prevention of charging and billing issues that reduce or delay reimbursement. Those claims are compared to the patient’s medical record by skilled clinical auditors. The auditor then looks for missing charges, coding, or compliance errors. CHRS’s in-house billing department then directly bills the insurance company based on the findings (unless the hospital system prefers to do their own billing). The hospital system receives payment directly on the billed charges. CHRS performs follow-up and dispute resolution for claims submitted. In addition to finding revenue, CHRS routinely educates the hospital and its staff on its findings. CHRS provides detailed monthly reports of its findings in conjunction with periodic meetings to discuss specific patterns and problems, establishing a process to prevent losses from occurring in the future. CHRS goes back two years with its clients in the auditing process and prepares them for their future through preventative training and education.

Sales

It is essential to first establish a relationship with the decision makers at each hospital which is the most challenging obstacle in selling in the healthcare field.

The following is the professional services sales model:

1. Establish sales leadership within CHRS through a Director of Business Development with an internal team of client service representatives to improve the sales process and ongoing client retention efforts.
2. CHRS has a total of 13 Business Development Advisors. These advisors come from various backgrounds, share the ability to support CHRS and target client-engagements. The Company's advisors consist of former politicians and executives from within the industry that have all demonstrated the ability to connect with the client.
3. Know the technical details of the competitors and the client which include developing relationships with executives, understanding financial statistics and payor mixes. This positions Certive to differentiate, and win, on a client-by-client basis.
4. Discuss and discover with the client current and future needs, determine the proper services adjusted to each individual client, and engage in building a prosperous partnership.
5. CHI leadership, Certive Advisory Council members and the Business Development Advisors all have C-Level contacts in hospitals and systems.
6. Channel partners know the clients and their problems.
7. It is a white label for other revenue cycle providers, Experian, TransUnion, etc., or Tier 2 partnerships.

Operations

1. Integrate financial reporting to Certive in Scottsdale. Establish the standardized revenue forecasting process.
2. Institutionalize client onboarding by building upon existing processing technology to support sales and post sales and bring the Business Development Advisors closer to the Company. Expanded field presence utilizes technology tools to improve the client experience.
3. With the help of workflow and current technology, CHRS is able to onboard new clients while maintaining adequate staffing levels.
4. CHI is currently evaluating the benefits of using cloud services or maintaining servers on site.
5. Develop a comprehensive employment contract which includes a stock option plan and is approved through the compensation committee.

6. The Company is currently seeking a cost-efficient office location for operations.

Investor Relations

1. Establish CHI as a thought leader in the market. Build awareness in the investment community as an emerging growth company. This is completed through delivery of a steady stream of content concerning the Company's performance and specific industry knowledge.
2. Utilize contemporary digital tools in marketing automation and social media to deliver content and nurture relationships with investors.
3. Present regularly at relevant microcap conferences.

Legal

See Legal Matters discussion below.

FINANCIAL COMPARISON TO PRIOR PERIODS

Financial Position as at August 31, 2023 compared to May 31, 2023

The following discussion of the Company's financial position is based on the Company's condensed consolidated interim statement of financial position as at August 31, 2023 and the audited consolidated statement of financial position as at May 31, 2023, which are reported on a comparative basis in all material respects.

Current Assets

As at August 31, 2023 the Company's total current assets of \$501,047 compared to \$382,057 at the prior year-end and were as follows: cash balance of \$5,642 compared to \$72,712 at the prior year-end; marketable securities of \$946 compared to \$941 at the prior year-end; receivables, net of allowance, of \$356,524 compared to \$259,388 at the prior year-end; and, prepayments of \$137,935 compared to \$49,016 at the prior year-end. The net increase in total current assets of \$118,990 or 31% was due primarily to increased revenues growing the accounts receivable account balance. The increase was also due to the prepayment of insurance during the three-months ended August 31, 2023.

Non-current Assets

As at August 31, 2023, the Company's non-current assets were \$90,643 compared to \$95,418 at the prior year-end, a decrease of \$4,775 or 5.0% from the prior year-end due primarily to the following: (1) The Company received \$1,523 from KCA during the three-months ended August 31, 2023 reducing the receivable; and (2) The Company's amortization of capitalized software development costs was \$3,252 during the three-months ended August 31, 2023.

Current Liabilities

As at August 31, 2023, the Company's current liabilities were \$10,317,169 compared to \$9,779,218 at the prior year-end. The increase of \$537,951 or 5.5% is due to several factors

- As at August 31, 2023, the Company's accounts payable and accrued liabilities of \$5,574,360 compared to \$5,068,721 at prior year-end, an increase of \$505,639 or 10% due primarily to accrued interest expense incurred during the period and advances to the company from directors which are shown in accounts payable.
- As of August 31, 2023, the Company's current portion of convertible debt of \$3,493,779 compared to \$3,466,548 at the prior year-end, an increase of \$27,231 or 0.8% due primarily to a gain realized from the monetary exchange rate during the three-months ended August 31, 2023.
- As at August 31, 2023, the Company's short-term loans payable of \$1,039,365 compared to \$995,721 at the prior year-end, an increase of \$43,644 or 4.4% due primarily to the 10% Demand Notes issued to those lenders interested in the Company's current equity Offering offset by short term loan payments made on another loan.
- As at August 31, 2023, the Company's notes payable – current portion of \$209,665 compared to \$248,228 at the prior year-end, a decrease of \$38,563 or 15.5% due to the following:

The Company previously agreed to make payments totaling \$500,000, which when paid, will be full settlement of any amounts owed between the Company and the former owner of CHRIS's assets as follows:

- \$50,000 to be paid during the year ended May 31, 2019 (paid);
- \$50,000 to be paid on May 31, 2019 (paid);
- \$50,000 to be paid on August 31, 2019 (paid);
- \$50,000 to be paid on November 30, 2019 (paid);
- \$50,000 to be paid on February 29, 2020 (past due); and
- \$250,000 to be paid by August 31, 2020 (past due).

As at August 31, 2023 and May 31, 2023, the remaining unpaid balance of \$201,673 and \$240,451, respectively, is included in notes payable – current portion (Note 9).

Secondly, the EIDL loan repayment is due in instalments beginning in January 2023. Pursuant to the loan amortization table, those principal payments expected to be paid within 12-months of August 31, 2023 and May 31, 2023 are \$3,283 and \$3,252, respectively, which are included in the notes payable – current portion (Note 9).

Third, pursuant to a loan consolidation and extension promissory note with a lender, the principal payments expected to be paid within 12-months of August 31, 2023 and May 31, 2023 are \$4,710 and \$4,526, respectively, which are included in notes payable – current portion (Note 9).

Non-current Liabilities

On July 26, 2020 the Company was awarded a \$150,000 SBA EIDL with an interest rate of 3.75%, repayments deferred for two years and then monthly payments based on a 30-year term loan. As at August 31, 2023 and May 31, 2023, the long-term portion is \$144,596 and \$145,429, respectively. The long-term portion of the loan consolidation and extension promissory note with a lender is \$88,547 as at August 31, 2023 and \$88,735 as at May 31, 2023. In addition, the Company's long-term portion of convertible debt of \$950,184 compared to \$932,440 at prior year end.

Shareholders' Deficiency

As at August 31, 2023, the Company's shareholders' deficiency of \$10,908,805 compared to \$10,468,347 at prior year-end, an increased shareholders' deficiency of \$440,458 due to the net loss and comprehensive loss of \$440,458 during the three-months ended August 31, 2023.

Working Capital Deficiency

As at August 31, 2023, the Company's working capital deficiency of \$9,816,122 (which is the amount the Company's current liabilities of \$10,317,169 exceeds the Company's current assets of \$501,047) compared to a working capital deficiency of \$9,397,161 at prior year-end, an increase of \$418,961 or 4.5% due primarily to interest accruing on the Company's debt and increasing short-term loans. Company's management believes that much of the recently issued convertible debt and accrued interest will be converted to common stock due to the relatively low conversion price per share improving its working capital deficiency in the future (see Adjusted Working Capital Schedule below).

Certive Solutions Inc.
Adjusted Working Capital Calculation
August 31, 2023

| | | | | | | | | |
|---|--------------------|--------------------|-------------------|-------------------------------|------------------------|----------------------------|----|--------------------|
| Total Current Assets: | | | | | | | \$ | 501,047 |
| | <u>Shares</u> | <u>Convertible</u> | <u>Short Term</u> | <u>Accounts Payable &</u> | <u>Note Payable</u> | <u>Total Adjusted</u> | | |
| | <u>Outstanding</u> | <u>Debt</u> | <u>Loans</u> | <u>Accrued Liabilities</u> | <u>Current Portion</u> | <u>Current Liabilities</u> | | |
| Current Liabilities: | 169,079,487 | \$ 3,493,779 | \$ 1,039,365 | \$ 5,574,360 | \$ 209,665 | \$ 10,317,169 | | |
| Conversion of Debt | - | (3,493,779) | (625,000) | (2,395,395) | | (6,514,174) | | |
| Total Adjusted Current Liabilities | 169,079,487 | \$ - | \$ 414,365 | \$ 3,178,965 | \$ 209,665 | \$ 3,802,995 | | |
| Adjusted Working Capital | | | | | | | \$ | (3,301,948) |
| Working Capital Deficit | | | | | | | \$ | (9,816,122) |

Financial Results for the three-months ended August 31, 2023, compared to the three-months ended August 31, 2022:

The following discussion of the Company's results of operations is based on the Company's condensed consolidated interim financial statements for the three-months ended August 31, 2023 and August 31, 2022, which are reported on a comparative basis in all material respects.

Revenue

For the three-months ended August 31, 2023, the Company's lost charge recovery revenues of \$255,854 compared to \$226,810 for the prior period, an increase of 29,044 or 12.8% primarily due to increased volume from existing customers. The DRG Review Services income for the three-months ended August 31, 2023 is \$110,367 compared to \$76,456 for the prior period, an increase of \$33,911 or 44.3% primarily due to the fact this newer service line is more established in the current year.

Cost of Revenue

For the three-months ended August 31, 2023, the Company's total cost of revenue of \$247,209 (representing 67.5% of the Company's total revenues) compared to \$383,715 in the prior period (representing 126% of the Company's total revenues in the prior period). The net decrease in cost of revenue of \$136,506 or 35.5% is due primarily to the following:

Direct Payroll Costs: For the three-months ended August 31, 2023, the Company's direct payroll costs of \$243,940 compared to \$326,952 in the prior period, a decrease of \$83,012 or 25.4% due primarily to reducing personnel by six, and their related payroll taxes and healthcare costs.

Operating Expenses (General Overhead)

For the three-months ended August 31, 2023, the Company's net general overhead expenses of \$559,466 compared to \$500,052 for the prior period, an increase of \$59,414 or 11.9% due primarily to the following:

Bad Debt Expense (Recovery): For the three-months ended August 31, 2023, the Company's bad debt expense was \$15,330 compared to a bad debt recovery of (\$10,078) for the prior period, an increase of \$25,408 due primarily to the result of a study of the past experience in collecting the estimated WIP receivable being applied during the period.

Bank Charges and Interest: For the three-months ended August 31, 2023, the Company's interest and bank charges of \$225,274 compared to \$220,036 for the prior period, an increase of \$5,238 or 2.4%, due primarily to the issuances of new debt.

Consulting Fees: For the three-months ended August 31, 2023, the Company's consulting fees were \$15,000 compared to \$40,000 for the prior period, a decrease of \$25,000 or 62.5%, due primarily to the completion of prior year consulting projects.

Foreign Exchange (Gain) Loss: For the three-months ended August 31, 2023, the Company's foreign exchange loss (gain) was \$14,792 compared to a gain of (\$114,462) for the prior period due, an increase of \$129,254 due primarily to the large foreign exchange expense recovery in the prior period.

General and Administrative Costs: For the three-months ended August 31, 2023, the Company's general administrative expenses of \$45,418 compared to \$50,372 for the prior period, a decrease of \$4,954 or 9.8% due primarily to less spent on telephone costs, office supplies and equipment rental.

Professional Fees: For the three-months ended August 31, 2023, the Company's professional fees were \$65,821 compared to \$23,006 for the prior period, an increase of \$42,815 or 186%, due primarily due to the payment of audit fees for fiscal year 2023 which were paid earlier in the year than in prior year.

Salaries and Wages: For the three-months ended August 31, 2023, the Company's salaries and wages of \$144,478 compared to \$239,070 for the prior period, a decrease of \$94,592 or 39.6% due primarily to the decrease in personnel.

Other Income and (Expense)

For the three-months ended August 31, 2023, the Company's net other income of \$(5) compared to a net other income of \$7,258 in the prior period due primarily to the gain on debt forgiveness in the prior period.

Net Loss and Comprehensive Loss

For the three-months ended August 31, 2023, the Company reported a net loss of \$440,459 or \$0.00 per basic and diluted income per share-based on 169,145,135 weighted average number of common shares compared to a net loss of \$573,243 or \$0.00 per basic and diluted income per share-based on 159,617,032 weighted average number of common shares for the prior period. The decrease in net loss of \$132,784 over the prior period was due primarily to a reduction of personnel costs offset somewhat by an increase in revenue.

LIQUIDITY

1. As at the date of this MD&A, the Company does not have sufficient working capital to cover its operating overhead either corporately or divisionally. Sources of capital are being identified to address working capital needs. Both equity and debt financings are being contemplated as potential sources of working capital. In order for the Company to fully support its operating costs, it must generate approximately \$200,000 per month in revenue. Presently, the CHRS division generates approximately \$100,000+ in monthly revenues. With many new revenue categories being identified by management, the near-term working capital problem is correctable. Fluctuations in liquidity will continue as long as the CHRS division operates at a loss. Reduction in staffing levels and /or modified work schedules are internal means by which the Company will control these variances.
2. The Company has liquidity risk associated with past due and maturing financial instruments. As at August 31, 2023, the Company had a cash balance of \$5,642 and total current liabilities of \$10,317,169, of which \$6,514,174 may be settled for common stock as more fully described in the Adjusted Working Capital Table.
3. The Company's working capital deficiency will be reduced if all convertible debt discussed in the MD&A is exercised. As at August 31, 2023, The Company's working capital deficiency \$9,816,122 and as adjusted working capital deficiency of \$3,301,948. The Company had to issue more debt to cover the losses that were incurred. There are no balance sheet conditions or income or cash flow items that may materially affect the Company's liquidity other than the ability to generate revenue from existing customer contracts. Readers are directed to Note 1 in the Company's condensed consolidated interim financial statements for the three-months ended August 31, 2023 and the Company's audited consolidated financial statements for the year ended May 31, 2023 for additional information.
4. As at August 31, 2023, the Company's working capital deficiency of \$9,816,122 and adjusted working capital deficiency of \$3,301,948 are both serious issues for the Company. Management of the Company does not expect that cash flows for the Company's operations will be sufficient to cover its operating requirements, financial commitments and business development priorities during the next several months. The Company will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months to fund operations. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of its operations.

5. As at August 31, 2023, there are currently no defaults or liabilities in arrears related to lease payments, interest and principal payments on debt, debt covenants, redemption or retraction or sinking fund payments, other than certain convertible notes in the aggregate amount of \$2,214,631 and certain accounts payable and accrued liabilities that are in arrears of \$5,192,430.
6. The Company has accrued but not paid interest on all of its convertible debt. The terms of the agreements with the company’s note holders are that, in most cases, accrued interest expense may be convertible at the noteholders option into shares at defined prices during the term of the note. Depending on the stock price at the time, the Company anticipates that there may at times be demand for payment of principal and interest rather than opting for conversions to common stock.

CAPITAL RESOURCES

The Company has no planned capital expenditures at the date of this MD&A. The allocation of capital during the following twelve months will be directed towards sales and marketing initiatives that will monetize the infrastructure presently in place and support the operating overheads of the public company.

OFF BALANCE SHEET ARRANGEMENTS

As at August 31, 2023 the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have any other proposed transactions to discuss at this time.

TRANSACTIONS BETWEEN RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. The Company’s related parties consist of its Officers & Directors, Key Management Personnel (“KMPs”), Advisory Council members and companies owned in whole or in part by them as follows:

| Name | Position and nature of relationship |
|--|--|
| SMA Group, LLC | Company controlled by key management personnel |
| Miller and Associates Environmental Consultants Inc. | Company controlled by the corporate secretary |
| Hyland Property Management Services LLC | Company controlled by officer and director |
| Lena V. LaMantia Trust | Company controlled by officer and director |
| Marreel Family Trust | Company controlled by officer and director |
| Tim Hyland | Director and officer |
| Tom Marreel | Director and officer |
| Sheila Schweitzer | Independent director |
| Jeff Wareham | Independent director |
| Scott Thomas | Director and VP of investor relations |
| Mike Miller | Corporate secretary and chief legal officer |
| Ann Fierro | Key management personnel |

The amounts due (to) or from the related parties are as follows:

| | Nature of relationship | August 31, 2023 | May 31, 2023 |
|---|--|--------------------|-----------------|
| Accounts payable (Note 6) | Directors, key management personnel, and companies controlled by these parties | \$ 1,184,497 | \$ 1,098,221 |
| Convertible loans – face value (Note 7) | Directors | \$ 297,126 | \$ 383,717 |
| Notes payable (Note 9) | Key management personnel | \$ 201,673 | \$ 240,451 |
| Short-term loans payable (Note 8) | Directors and key management | \$ 301,365 | \$ 307,721 |

The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined based on actual cost. There is no other remuneration of directors or other members of key management personnel during the three-months ended August 31, 2023 and 2022 are as follows:

| | August 31, 2023 | August 31, 2022 |
|--|-----------------|-----------------|
| Salaries paid to key management personnel, included in operating costs and expenses | \$ - | \$ 63,750 |
| Salaries accrued for officers of the Company, included in operating costs and expenses | 39,000 | 39,000 |
| Share-based compensation expense for officers of the Company | - | 7,199 |
| Total | \$ 39,000 | \$ 109,949 |

CONTROLS AND PROCEDURES

The Chief Financial Officer (“CFO”) is responsible for establishing and maintaining effective disclosure controls and procedures for the Company as defined in National Instrument 52-109 *Certification of Disclosure in Annual and Interim Filings*. Management has concluded that as of the date of this MD&A, discussion of disclosure controls and procedures is preemptive; however, once operations begin, such controls will be effective enough to provide reasonable assurance that material information relating to the Company would be known, particularly during the period in which reports are being prepared.

Disclosure Controls and Procedures

The CFO is responsible for establishing and maintaining effective disclosure controls and procedures for the Company as defined in National Instrument 52-109 *Certification of Disclosure in Annual and Interim Filings*. Management has concluded that discussion of disclosure controls and procedures is preemptive; however, once operations begin, such controls will be effective enough to provide reasonable assurance that material information relating to the Company would be known, particularly during the period in which reports are being prepared.

Internal Control Over Financial Reporting

The CFO is responsible for establishing and maintaining effective internal control over financial reporting as defined in National Instrument 52-109. Because of its inherent limitations, internal control over financial reporting may have material weaknesses and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management has concluded that internal control over financial reporting will be effective. The design and operation of internal control over financial reporting will provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

Internal control over financial reporting will include those policies and procedures that establish the following: maintenance of records in reasonable detail that accurately and fairly reflect the transactions and dispositions of assets; reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable generally accepted accounting principles; receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets. Management will design internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Segregation of Duties

Currently duties have not been segregated due to the small number of individuals involved in this start-up. This lack of segregation of duties has not resulted in any material misstatement to the financial statements.

As the Company incurs future growth, management plans to expand the number of individuals involved in the accounting and finance functions. At the present time, the Chief Executive Officer and Chief Financial Officer oversee all material transactions and related accounting records. In addition, the Audit Committee of the Company reviews interim financial statements and key risks on a quarterly basis and query's management about any significant transactions.

Complex and Non-Routine Transactions

The Company may be required to record complex and non-routine transactions. These sometimes will be extremely technical in nature and require an in-depth understanding of IFRS. Finance staff will consult with their third-party expert advisors as needed in connection with the recording and reporting of complex and non-routine transactions. In addition, an annual audit will be completed and presented to the Audit Committee for its review and approval.

Use of Estimates and Judgments

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements. Actual results could differ from these estimates.

Critical Judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company, as previously discussed in Note 1.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity of IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

1. Shared-base payments

Estimating the fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

2. Useful lives of intangible assets

Estimates of the useful lives of intangible assets are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

3. Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

4. Carrying values of intangible assets

The Company assesses the carrying value of its intangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumption and judgments regarding market conditions, costs of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

5. Discount rates used in convertible debentures

The Company calculates the liability portion of convertible debentures by calculating the present value of the loan and related interest, using a discount rate equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party.

6. Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

7. Revenue recognition

The Company estimates contingency fee revenue based on its identified hospital services that were performed but not billed by the hospital. The Company estimates a receivable for work-in-progress (“WIP”) using an aged report of all outstanding identified lost charges sent to its clients for processing. Those lost charges are included in the report along with an estimate of the amount that the hospital will collect from the payer for each lost charge. Each client’s specific contingency fee is then applied to such amounts to determine an estimate of the Company’s revenue and WIP receivable. Management then estimates an allowance for uncollectible WIP based on historical collection rates for each aging category with increases or decreases being recorded to bad debt expense.

Determination of Functional Currency

The functional currency is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency for the Company is the U.S. dollar.

LEGAL MATTER

The Company filed litigation against the Company's former CFO in an attempt to recover penalties and interest costs, which resulted from the former CFO's failure to submit payroll withholding taxes to the Internal Revenue Service ("IRS") for an approximate 18-month period during 2017-2018. Pursuant to a payment plan negotiated with the IRS, the Company previously paid \$175,000 to the IRS towards satisfaction of those liabilities. On September 28, 2020, the Company submitted an Offer-in-Compromise to the IRS regarding this matter. The IRS initially denied the Company's request, which was upheld by the IRS Independent Office of Appeals. The Company then sent the IRS a formal request to waive the penalties and interest, which was recently denied by the IRS. The Company submitted its appeal and is awaiting its adjudication.

As the result of a settlement conference conducted by a judge in August 2021, the Company and its former CFO reached a settlement. As of May 31, 2022, the settlement proceeds of \$40,000 cash and 2,950,000 common shares of the Company with a fair value of \$128,667 were held in escrow for payment to the IRS and are recorded by the Company as a restricted asset of \$40,000 and treasury shares of \$128,667. In October 2022, the escrow agent (attorney) sent \$40,000 of restricted cash to the US Treasury Department, Internal Revenue Service, towards payment of payroll withholdings taxes due for the quarter ended September 30, 2017. As at August 31, 2023 the total accrued payroll liability is \$1,267,949 (May 31, 2023: \$990,891), \$299,895 is related to the older time periods as referenced above (May 31, 2023: \$299,895). As part of the settlement agreement with the former CFO, if the Company failed to pay the entire trust fund payment by December 31, 2022, the Company must transfer the 2,950,000 common shares back to the former CFO who, pursuant to the settlement agreement, are permitted to sell the shares and use the proceeds to repay the IRS liability.

SUBSEQUENT EVENTS

None other than those disclosed above in the section titled Material Events Subsequent to August 31, 2023.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial Assets and Liabilities

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss (“FVTPL”), (2) loans and receivables, (3) financial assets available-for-sale, (“AFS”), (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets, AFS, are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Financial assets “held-to-maturity”, “loans and receivables”, and “other financial liabilities” are subsequently measured at amortized cost using the effective interest method. The Company’s financial assets and liabilities are recorded and measured as follows:

| <u>Asset or Liability</u> | <u>Category</u> |
|---------------------------|-----------------|
| Cash | Amortized cost |
| Marketable securities | FVTPL |
| Receivables | Amortized cost |
| Receivable from KCA | Amortized cost |
| Accounts payable | Amortized cost |
| Convertible debt | Amortized cost |
| Short term loans | Amortized cost |
| Note payable | Amortized cost |

The Company determines the fair value of financial instruments, according to the following hierarchy, based on the number of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and marketable securities are measured at fair value using Level 1 inputs. The derivative liability has been measured at fair value using level 3 inputs.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company's other receivable balance may consist of amounts outstanding on Harmonized Sales Tax Credits from Canada Revenue Agency. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Interest Risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Certain cash and convertible notes of the Company are denominated in Canadian currency and exposes the Company to certain currency risks.

Shares Authorized - Unlimited common shares without par value.

Shares Issued and Outstanding:

| Number Outstanding as at: | August 31, 2023 | May 31, 2023 |
|----------------------------------|------------------------|---------------------|
| Common shares | 169,145,135 | 169,145,135 |
| Stock options | 6,800,000 | 6,800,000 |

BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Please refer to Note 2 of the Company's condensed consolidated interim financial statements of the Company as at and for the three-months ended August 31, 2023.

SIGNIFICANT ACCOUNTING POLICIES

Please refer to Note 3 of the Company's audited consolidated financial statements of the Company as at and for the year ended May 31, 2023.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

A number of new standards, amendments to standards and interpretations are not yet effective as at the date of issuing these statements and have not been applied in preparing these financial statements. The Company has not early adopted any of the new standards and is currently evaluating the impact, if any, that such standards might have on the Company's financial statements. Please refer to Note 3 of the Company's audited consolidated financial statements as at and for the year ended May 31, 2023.

RISK FACTORS AND UNCERTAINTIES

Strategic and Operational Risks

Strategic and operational risks are risks that arise if the Company fails to develop its strategic plans. These strategic opportunities or threats evolve from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Other Risk Factors

In evaluating an investment in the Company's shares, in addition to the other information contained or incorporated by reference herein, investors should consider the following risk factors. The following risk factors are not intended to be a definitive list of all risk factors associated with the Company and its business:

General and Industry Risks

The Company's business objectives in the next 12 months are to establish, by November 30, 2021, (i) an expanded profitable operating business that can be sustained on an ongoing basis, (ii) a strong market position that will permit the company to rapidly and profitably expand the market for its products, and (iii) significant competitive advantages that will permit the company to sustain its market shares and profit margins.

Securities and Dilution

The only source of funds presently available to the Company is through the sale of equity capital or the assumption of debt. There is no assurance that such sources of financing will be available on acceptable terms, if at all. If the Company seeks additional equity financing, the issuance of additional shares will dilute the interests of their current shareholders. Failure to obtain such additional financings could result in delay or indefinite postponement of the Company's strategic goals.

Competition

The Company's industries of focus are intensely competitive in all of its phases, and the Company will compete with many companies possessing greater financial resources and technical facilities than the Company.

No History of Earnings or Dividends

As a Venture Issuer, the Company has no history of earnings, and there is no assurance that the Company will generate earnings, operate profitably, or provide a return on investment in the future. The Company has no plans to pay dividends for the foreseeable future.

Conflicts of Interest

There are directors and senior officers in the Company that hold senior level positions in other companies. If any disputes arise between these organizations and the Company, or if these organizations undertake transactions with a Company's competitor, there exists the possibility for such directors and senior officers to be in a position of conflict. Any decision or recommendation made by these persons involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other organizations. In addition, as applicable, such directors and officers will abstain from voting on any matter in which they have a conflict of interest.

Potential Profitability Depends Upon Factors Beyond the Control of the Company

The potential profitability of the Company is dependent upon many factors beyond the Company's control. Profitability also depends on the costs of operations, including costs of labor and occupancy costs, regulatory compliance and other professional fees. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, events that cause worldwide economic uncertainty may make raising of funds difficult. These changes and events may materially affect the financial performance of the Company.

Dependency on a Small Number of Management Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company and its business operations.

Failure to Perform Contracts

Contracts for the Company's services may include penalties and/or incentives related to performance, which could materially affect operating results. Management provides for any anticipated penalties against contract value.

Project Performance

Any inability of the Company to execute customer projects in accordance with requirements, including adherence to timetables, could have a material adverse effect on the Company's business, operations, and prospects.

Intangible Asset Impairment

The Company has recognized the value of its contracts and customer list as an intangible asset. The Company assesses these assets periodically to evaluate if value recognized as an asset has become impaired. If the Company were to determine that the applicable expected future cash flows do not support the intangible asset book values, impairment would need to be recognized that could have an adverse impact on the financial results of the Company such as occurred as at August 31, 2018.

Future Capital Requirements

The Company's future capital requirements will depend on many factors, including inorganic growth initiatives, securing new contracts, the rate of expansion and the status of competitive products. Depending on these factors, the Company may require additional financing which may or may not be available on acceptable terms. If additional funds are raised by issuing equity securities, dilution to the existing shareholders may result. If adequate funds are not available, the Company may not be able to achieve its growth objectives and operational targets, which could have a material adverse effect on the Company's business.

FORWARD LOOKING FINANCIAL STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words “may,” “will,” “projects,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “forecasts,” or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risk Factors and Uncertainties section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are reasonable, but any of which could prove to be inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.

In this MD&A, the Company has specifically noted the forward-looking nature of comments where applicable. Generally, readers should be aware that forward-looking statements included or incorporated by reference in this document are related to its operating subsidiary CHI. At the date of this MD&A these comments on forward looking matters are relevant and should be considered by readers.

CONTACT INFORMATION

Officers and Directors

| | |
|-------------------|--|
| Tom Marreel | Chairman of the Board and CEO |
| Tim Hyland | Director, CFO and Treasurer |
| Scott Thomas | Director, VP Investor Relations |
| Jeffrey Wareham | Director, Chair - Audit Committee |
| Sheila Schweitzer | Director, Chair - Governance, Compensation and Nominations Committee |
| Michael Miller | Corporate Secretary and Chief Legal Officer |

Operational Headquarters

Certive Solutions Inc.
Certive Health Inc.
Advantive Information Systems Inc.
8149 North 87th Place
Scottsdale, Arizona 85258
(480) 922-5327

Operational Subsidiaries

Certive Health Revenue Solutions Inc.
(formerly known as “Omega Technology Solutions Inc.”)
(Currently Operating Remotely)
Ft. Lauderdale, Florida
(800) 559-8009

Certive Health Compliance Solutions Inc.
8149 North 87th Place
Scottsdale, Arizona 85258
(480) 922-5327