

**EMERGENCE GLOBAL ENTERPRISES INC.
(FORMERLY VELOCITY DATA INC.)**

**FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEARS ENDED OCTOBER 31, 2020 AND 2019**

The following Management's Discussion and Analysis ("MD&A"), prepared as of March 1, 2021, should be read together with the consolidated financial statements of the Emergence Global Enterprises Inc. (the "Company") for the years ended October 31, 2020 and 2019 and the related notes attached thereto. These consolidated financial statements and MD&A include the results of operations and cash flows for the years ended October 31, 2020 and 2019 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in U.S. dollars. The aforementioned documents can be accessed on the SEDAR web site at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards ("IFRS").

The MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the consolidated statements of cash flows.

Certain statements contained in this MD&A may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for development or maintenance/rehabilitation of the Company's business lines, government IT budgets and economic conditions and other factors.

Description of Business

The Company was incorporated as GTO Resources Inc. on May 10, 2011 under the *Business Corporations Act* (British Columbia). On August 7, 2014, the Company changed its name to Velocity Data Inc. On February 15, 2020, the Company changed its name from "Velocity Data Inc." to "Emergence Global Enterprises Inc."

On November 29, 2019, a change of control of the Company has been effected by the purchase by Mr. Joe Byrne of a controlling interest of approximately 82% of the outstanding capital of the Company for a total consideration of \$500,000. At the time, Mr. Byrne and Claire Byrne have been appointed as board directors.

In addition, Mr. Byrne has been appointed President and CEO of the Company while Mr. Bates remains as CFO.

On July 31, 2020, the Company and NuBreed Nutrition Inc. ("NuBreed") entered into an agreement whereby the Company acquired all of the issued and outstanding common shares of NuBreed in exchange for the issuance of 1,000,000 common shares of the Company. The agreement is subject to, amongst other things, regulatory, board, and other approvals with 1,000,000 common shares of the Company issuable upon approval. The 1,000,000 common shares of the Company were issued January 15, 2021.

On July 31, 2020, the Company sold 100% of the common shares of ACL to ACLH, LLC, a non-related party, for \$10 consideration pursuant to the terms and conditions of a share purchase agreement (the "ACL Share Purchase Agreement").

Subsequent to December 31, 2020, the Company entered into a promissory note (the "Shareholder Promissory Note") in the amount of \$320,000 in favour of its Chief Executive Officer, director and controlling shareholder Joseph Byrne. Interest shall accrue on the principal amount advanced under the Shareholder Promissory Note quarterly in arrears at the Prime Rate plus 3% and be paid in kind until the maturity date on December 31, 2023.

The Company's registered office is located at Suite 600 – 1285 West Broadway, Vancouver, BC V6H 3X8.

The Company's Board of Directors is comprised of Joe Byrne, Robert Bates, Christian Gallant and Cameron Canzellarini.

As at October 31, 2020, the Company had an accumulated deficit of \$2,121,571 and a working capital deficit of \$939,762. During the year ended October 31, 2020, the Company had no revenues and used cash of \$57,487 for operating activities. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon financial support from its stockholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components and focus on new investments and projects. As of October 31, 2020, the Company sold ACL, the Company's wholly-owned subsidiary. As such, the financial information presented has been represented by excluding impact of ACL's transactions.

Overall Performance and Results of Operations

Year ended October 31, 2020

Results of Operations

The Company recorded revenues of \$Nil for the years ended October 31, 2020 and 2019, respectively. The absence of revenue is attributed to the Company exiting its main operational business.

The Company recorded net income of \$6,575,731 for the year ended October 31, 2020 compared to a net loss of \$124,270 for the year ended October 31, 2019. The comprehensive income for the current year was due to the sale of ACL, which resulted in a one-time gain on sale of \$6,917,007. After accounting for the gain on sale in the current year, the Company incurred a net loss of \$341,276 for the year ended October 31, 2020 and the increase in the net loss was due to an increase in consulting and general and administrative fees as the Company with the pending acquisition of NuBreed.

During the year ended October 31, 2020, the Company recorded interest expense of \$37,550 compared to interest expense of \$32,754 for the year ended October 31, 2019.

Overall Performance

As at October 31, 2020, the Company had cash of \$3,345 (2019 - \$1,758) and total assets of \$3,355 (2019 - \$1,818).

As at October 31, 2020, the Company had liabilities of \$943,117 (2019 - \$7,316,462), all of which were current liabilities and is mainly comprised of accounts payable and accrued liabilities of \$237,449 (2019 - \$5,510), loans payables of \$627,375 (2019 - \$598,264) including \$469,810 (2019 - \$438,614) of outstanding loans payables that bears interest at Bank of Canada prime rate plus 3% compounded semi-annually, and amounts due to related parties of \$78,293 (2019 - \$16,601) which are unsecured, non-interest bearing, and due on demand. The decrease is due to the sale of ACL which decreased current liabilities relating to ACL from \$6,696,087 at October 31, 2019 to \$nil as at October 31, 2020.

Cash Flows

During the year ended October 31, 2020, the Company used cash of \$57,487 for operating activities compared to the use of cash of \$98,008 during the year ended October 31, 2019. The use of cash was consistent on a period-to-period basis as the Company had minimal operations.

The Company supports its operations through cash raised from financing activities. During the year ended October 31, 2020, the Company received \$65,501 of proceeds from loans payable compared to \$91,698 received during the year ended October 31, 2019.

Liquidity and Capital Resources

The Company's 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. As at October 31, 2020, the Company had a cash balance of \$3,345 and working capital deficit of \$939,762. These factors raise doubt as to the Company's ability to continue as a going concern. Management's plans include (i) pursuing former employees through legal channels for violating non-compete agreements and stealing customers, (ii) pursuing prior lender for attempting to extort a material cancellation fee and cause other damages despite the fact that the lender requested ACL obtain new financing, and (iii) attempting to develop new business or product lines. The Company's consolidated financial statements do not include any adjustments, which could be material in nature, relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The company is attempting to pursue other options for the public shell.

Selected Financial Information

The following tables provide a brief summary of the Company's financial operations. For more detailed information, refer to the consolidated financial statements for the years ended October 31, 2020 and 2019, which can be found on SEDAR. This information has been prepared in accordance with IFRS and is presented in U.S. Dollars, which is the functional currency of the Company.

Management believes adjusted EBITDA provides a more useful measure of company performance. This is because there are several measures included in GAAP net income or loss which are related to interest. We consider these items to be unrelated to operating income and performance.

However there is a limitation in using EBITDA; each company may use a different definition of EBITDA and, therefore, it is hard to compare them to each other. For example, our company might use different add-backs to net loss than our competitors, thus making it more difficult to compare the two entities to each other. We compensate for this by regularly including EBITDA in our filings so that our performance can be measured over time.

We therefore advise readers to refer to the condensed interim consolidated financial statements as the format of those is standardized and uniform in comparison with any other company reportable under IFRS. In these financial statements, we show net income of \$48,102 and net loss of \$93,203 for the years ended October 31, 2020 and 2019, respectively. In addition, working capital ratios and other liquidity measures, total debt and debt/equity ratio are common measures used by companies to measure performance. EBITDA amounts are not opined to by the auditors but are a management tool.

Summary of Quarterly Results

For the 3 months ended,	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019
	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-
Net loss (gain) for the period	(103,159)	6,513,165	(25,650)	(29,595)	(361,267)
Basic and diluted loss per share	0.39	0.00	(0.00)	(0.00)	(0.03)

For the 3 months ended,	July 31, 2019	April 30, 2019	January 31, 2019	October 31, 2018	July 31, 2018
	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-
Net loss for the period	(10,652)	(10,652)	(1,266)	(551,760)	5,159
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.05)	(0.00)

Selected Annual Financial Information

Share Capital

Authorized: Unlimited number of voting common shares
Unlimited number of preferred shares

In November 2019, the Company issued 75,000 common shares with a fair value of \$16,385 to a company associated with the CFO for services.

On January 15, 2021, the Company issued 1,000,000 common shares to the shareholders of NuBreed as part of the acquisition agreement.

As at March 1, 2021, the Company has 17,156,971 common shares outstanding.

Stock Options

As at October 31, 2020 and 2019, the Company has nil and 356,006 outstanding stock options, respectively, to certain officers and directors, exercisable at a price of \$1.20 per share which expired on December 15, 2019. There were no stock options issuances, exercises, or cancellations during the years ended October 31, 2020 and 2019, nor have there been any additional stock options transactions as of March 1, 2021.

Accounting Policies and Estimates

The significant accounting policies of the Company are disclosed in Note 2 to the consolidated financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses. Management reviews its estimates regularly.

Revenue Recognition

Revenue from product sales is measured at the fair value, net of estimated customer returns and allowances at the time of recognition. The estimates of fair value are based on the Company's historical experience with each customer and the specifics of each arrangement.

Revenue from product sales is recognized when the risks and rewards of ownership have been transferred to the buyer (which generally occurs upon shipment) and collectability of the related receivables is reasonably assured. Revenue is recognized when (a) it can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the Company; and (c) the costs incurred or to be incurred can be measured reliably.

Stock-Based Compensation

The Company measures compensation expense for all share-based payment awards, including stock options granted to employees, directors, and non-employees based on the estimated fair values on the date of each grant. The fair value of each stock option granted is estimated using the Black-Scholes-Merton option valuation model. Stock-based compensation is recognized on a straight-line basis over the requisite service period, net of estimated forfeitures.

Financial Instruments

Fair Values

The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities loans payable, and amounts due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 introduces a new expected credit loss ("ECL") model for all financial assets in scope of the impairment requirements. The new ECL will result in an allowance for credit losses being recorded on financial assets irrespective of whether there has been an actual loss event.

The Company adopted the amendments to IFRS 9, effective November 1, 2018 using the full retrospective method, with no significant impact on the Company's consolidated financial statements.

Credit risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result create a financial loss for the Company. The Company establishes an allowance for doubtful accounts as determined by management based on its assessment of collection; therefore, the carrying amount of accounts receivable generally represents the maximum credit exposure. As at October 31, 2020 and 2019, the Company has determined that no allowance for doubtful accounts is required. The provision for doubtful accounts, if any, is included in selling, general and administrative expenses in the consolidated statements of earnings (loss), and is net of any recoveries that were provided for in prior years. Credit risks also exist in cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has an outstanding loan payable which is linked to the Bank of Canada prime rate. The impact of a 1% change in the Bank of Canada prime rate would not be significant to the Company's consolidated financial statements.

Market risk

Market risk is the risk that financial instruments fair values and the Company's future cash flows will fluctuate due to changes in market prices. The Company is exposed to currency risk but it does not have any significant foreign exchange rate risk.

Related Party Transactions

During the years ended October 31, 2020 and 2019, the Company incurred approximately \$4,157 and \$69,286, respectively, in professional and consulting fees to the Chief Financial Officer (the "CFO") of the Company and a company associated with the CFO, which have been recorded in selling, general, and administrative expenses.

As at October 31, 2020, the Company owed \$Nil (2019 - \$16,601) to the CFO and a company associated with the CFO, which is non-interest bearing, secured against the assets of the Company, and is due on demand.

As at October 31, 2020, the Company owed \$78,293 (2019 - \$Nil) to the Chief Executive Officer (the "CEO") and a company associated with the CEO, which is non-interest bearing, non-secured, and is due on demand.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, equity component of convertible debt, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged during the years ended October 31, 2020 and 2019.

Legal Proceedings

Updates for ongoing legal proceedings are as follows for the period ended October 31, 2020:

In late 2015, the Company learned of former employees who violated their non-solicit and confidentiality agreements. ACL obtained a restraining order against those former employees and initiated a suit for damages. Two of their employers have been added to the suit. The non-competes were established years ago as a result of a former employee attempting to steal customers.

In late 2015, ACL initiated a suit pursuing a prior lender for attempting to extort a material cancellation fee and causing other damages despite the fact that the lender requested ACL obtain new financing.

In late 2015, the Company, through ACL, incurred a significant loss as a result of fake orders placed by a customer that was purporting to be an authorized purchasing agent of ALC (Defense Logistics Agency, a part of the United States Military). The Company believes that the shipper of the products (FedEx) and DLA were negligent in the manner in which they handled the fake orders. Thus, ACL filed an SF 95 Claim with DLA. ACL filed a lawsuit with the Military in March 2016. The total gross loss prior to any reimbursement is now in excess of \$500,000, including legal and other costs, since the vendors for the orders were paid in full. The FBI has located one of the perpetrators and extradited him from India and Nigeria to be incarcerated.

ACL has received notice of lawsuit from several suppliers in connection with overdue payables. Two of the suppliers obtained judgments against ACL for part of the \$5 million of payables previously recorded as liabilities.

ACL has continued to devote resources to recovering the losses caused by its former employees (including their alleged negligence surrounding the previously disclosed Nigerian crime ring) and the CFAA and trade secret theft (potential criminal violations that ACL recently uncovered). ACL has been a value-added reseller or VAR for 28 years; in 2015, the Company attempted to pursue other lines of business, however, this was met with resistance from ACL's former sales people. The Company no longer has sufficient funds to develop new product lines and has begun to investigate various plans for the company since the cost of operating as a public company is greater than the Company's current financial situation can support.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as at October 31, 2020.

Management's Report on Internal Controls over Financial Reporting

In connection with National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* adopted in December 2008 by each of the securities commissions across Canada ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the Company's audited consolidated financial statements and this MD&A.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the aforementioned filings on SEDAR at www.sedar.com.