

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

**FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS  
ENDING JANUARY 31, 2022, AND 2022**

The following Management's Discussion and Analysis ("MD&A"), prepared as of March 8, 2022, should be read together with the consolidated financial statements of Emergence Global Enterprises Inc. (the "Company") for the Three Months ended January 31, 2022, and 2022 and the related notes attached thereto. These consolidated financial statements and MD&A include the results of operations and cash flows for January 31, 2022, and 2022. The reader must be aware that historical results do not necessarily indicate future performance. All amounts are reported in U.S. dollars. The aforementioned documents can be accessed on the SEDAR website at [www.sedar.com](http://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 cashflows.

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 that may cause the Company's actual results, performances, or achievements 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, 2021, 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 was affected by the purchase by Mr. Joe Byrne of a controlling interest of approximately 82% of the Company's outstanding capital for a total consideration of \$500,000. At the time, Mr. Byrne and Claire Byrne had been appointed as board directors. At the time, Mr. Byrne had been appointed President and CEO of the Company while Mr. Bates remained as CFO.

On April 12, 2022, the Company announced the board and management appointments as follows: (i) Mr. Bill Chaaban is appointed as President and Director and will lead the Company's long-term strategy and M&A activity; (ii) Joseph Byrne will become the Chief Executive Officer (CEO) and be responsible for the day-to-day direction of the organization; (iii) Brian S. Payne will become the Vice President & Chief Operating Officer (COO) and the Secretary of the Board; (iv) Mr. Diego Felipe Rodriguez has been appointed as Vice President & Chief Financial Officer and Treasurer of the Board; and (v) Mr. Robert Bates has resigned as a Director and Chief Financial Officer. On July 9, 2022, Mr. Bill Chaaban resigned as President but will remain a director and continue to lead the M&A Strategy for the Company. On July 9, 2022, Mr. Joseph Byrne was appointed President & CEO of the Company.

On July 31, 2021, the Company sold 100% of the common shares of ACL to ACLH, LLC, a non-related party, for \$10 consideration according to the terms and conditions of a share purchase agreement (the "ACL Share Purchase Agreement").

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.

On July 31, 2021, 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.

On March 5, 2022, the Company and ProDynn Distribution, LLC ("ProDynn") entered into an agreement whereby the Company acquired all of the issued and outstanding common shares of Pro Dynn in exchange for the issuance of 1,000,000 common shares of the Company.

On March 10, 2022, the Company and Edge Nutrition (Canada) Inc. ("Edge") entered into an agreement whereby the Company acquired all of the issued and outstanding common shares of Edge in exchange for the issuance of 525,000 common shares of the Company.

On March 15, 2022, the Company and Well & Wild Superfoods Ltd. ("Well & Wild") entered into an agreement whereby the Company acquired all of the issued and outstanding common shares of Well & Wild in exchange for the issuance of 500,000 common shares of the Company.

On March 17, 2022, the Company and Coastal Rock Trading LLC ("Coastal Rock") entered into an agreement whereby the Company acquired all of the issued and outstanding common shares of Coastal Rock in exchange for the issuance of 1,250,000 common shares of the Company.

On March 22, 2022, the Company and Three Feather Farms (the "Three Feather") entered into an agreement whereby the Company acquired all of the issued and outstanding common shares of Three Feather Farms in exchange for the issuance of 250,000 common shares of the Company.

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, Brian Payne, Bahige Chaaban, Diego Felipe Rodriguez, Christian Gallant, and Cameron Canzellarini. Mr. Gallant and Mr. Canzellarini are

independent members of the board.

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. As of January 31, 2022, the Company had an accumulated deficit of \$2,800,383 and limited liquidity. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

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. Considering 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.

## **Overall Performance and Results of Operations**

### *Three Months ended January 31, 2022*

#### *Results of Operations*

The Company recorded revenues of \$450,620 for the Three Months ended January 31, 2022, and \$1,525 for the three month period ended January 31, 2022. The increase of revenue in 2022 is attributed to the Company completing the first part of its acquisition strategy during 2022.

The Company recorded a net loss of \$130,064 for the three-month period ended January 31, 2022, compared to a net loss of \$26,107 for the three month period ended January 31, 2022. For the three month period ending January 31, 2022, the Company had a net comprehensive loss of \$125,439.

During the three-month period ended January 31, 2022, the Company recorded interest expense of \$23,640 compared to interest expense of \$6,250 for the three month period ended January 31, 2022.

#### *Overall Performance*

As at January 31, 2022, the Company had cash of \$46,267 (October 31 2021 - \$207,695) and total assets of \$54,733,117 (October 31 2021 - \$5,057,541).

As of January 31, 2022, the Company had liabilities of \$1,801,993 (October 31 2021 - \$2,239,891), most of which were current liabilities and are mainly comprised of accounts payable and accrued liabilities of \$260,254 (October 31 2021 - \$336,214), loans payables of \$1,541,739 (October 31 2021 - \$1,903,677) including \$878,003 (2021 - \$853,135) of outstanding loans payables that bear interest at Bank of Canada prime rate plus 3% compounded semi-annually, and amounts due to related parties of \$290,582 (2021 - \$274,108) which are unsecured, non-interest-bearing, and due on demand. The increase is due to the company acquisitions that occurred during the fiscal period ending January 31, 2022.

#### *Cash Flows*

During the the three month period ended January 31, 2022, the Company used cash of \$192,815 for

operating activities compared to the use of cash of \$225,335 during the period ended January 31, 2021. The use of cash was consistent on a period-to-period basis as the Company had minimal operations.

### 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 ordinary course of business. 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. As of January 31, 2022, the Company had a cash balance of \$46,267 and working capital deficit of \$764,361. These factors raise doubt as to the Company's ability to continue as a going concern.

### 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 January 31, 2022, and 2021, which can be found on SEDAR. This information has been prepared according to IFRS and is presented in U.S. Dollars, which is the Company's functional currency.

#### Summary of Quarterly Results

For the three months ended,	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021
	\$	\$	\$	\$	\$
Revenue	450,620	808,088	685,538	417,183	1,525
Net loss (gain) for the period	(130,064)	(110,640)	(78,967)	(145,699)	(29,595)
Basic and diluted loss per share	0.00	0.00	(0.00)	(0.00)	(0.00)
For the three 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	0.00	0.00	(0.00)	(0.00)	(0.03)

### Selected Annual Financial Information

#### Share Capital

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

- a) On January 15, 2022, the Company issued 1,000,000 common shares for the acquisition of a subsidiary, NuBreed Nutrition, Inc.
- b) On March 5, 2022, the Company issued 1,000,000 common shares for the acquisition of a subsidiary, ProDynn Distribution, LLC.
- c) On March 10, 2022, the Company issued 525,000 common shares for the acquisition of a subsidiary, Edge Nutrition (Canada) Inc.

- d) On March 15, 2022, the Company issued 500,000 common shares for the acquisition of the subsidiary Well & Wild Superfoods Ltd.
- e) On March 17, 2022, the Company issued 1,250,000 common shares for the acquisition of a subsidiary, Coastal Rock Trading LLC.
- f) On January 15, 2022, the Company issued 250,000 common shares for the asset purchase of Three Feather Farms.
- g) On July 9, 2022, the Company issued 1,500,000 common shares to Bill Chaaban as payment for services rendered to the Company and prior entities.
- h) On July 9, 2022, the Company issued 1,500,000 common shares to Brian Payne as payment for services rendered to the Company and prior entities.
- i) On July 9, 2022, the Company issued 1,000,000 common shares to Diego Rodriguez as payment for services rendered to the Company and prior entities.
- j) On July 9, 2022, the Company issued 1,000,000 common shares to Ameen Ferris as payment for services rendered to the Company and prior entities.
- k) On July 9, 2022, the Company issued 750,000 common shares to David McLoughlin as payment for services rendered to the Company and prior entities.
- l) On July 9, 2022, the Company issued 750,000 common shares to Jeff Thomas as payment for services rendered to the Company and prior entities.
- m) On July 9, 2022, the Company issued 750,000 common shares to Jeff Hoffman as payment for services rendered to the Company and prior entities.
- n) On July 9, 2022, the Company issued 750,000 common shares to Paula Santamaria as payment for services rendered to the Company and prior entities.
- o) On July 9, 2022, the Company issued 750,000 common shares to Harold Aubrey de Lavenu as payment for services rendered to the Company and prior entities.
- p) On July 9, 2022, the Company issued 100,000 common shares to Cameron Canzellarini as payment for services rendered to the Company and prior entities.
- q) On July 9, 2022, the Company issued 100,000 common shares to Chris Gallant as payment for services rendered to the Company and prior entities.

### **Stock Options**

There were no stock options issuances, exercises, or cancellations during the fiscal period ending January 31, 2022, and 2021, nor have there been any additional stock options transactions as of reporting date.

### **Accounting Policies and Estimates**

The Company's significant accounting policies are disclosed in Note 2 to the consolidated financial statements. Specific accounting policies require that management make appropriate decisions concerning 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 calculated using the Black-Scholes-Merton option valuation model. Stock-based compensation is recognized straight-line over the requisite service period, net of estimated forfeitures.

## **Financial Instruments**

### *Fair Values*

The fair values of other financial instruments, including 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 the scope of the impairment requirements. The new ECL will allow credit losses to be 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 collection assessment; therefore, the carrying amount of accounts receivable generally represents the maximum credit exposure. As of January 31, 2022, and 2021, the Company has determined that no allowance for doubtful accounts is required. If any, the provision for doubtful accounts is included in selling, general and administrative expenses in the consolidated statements of earnings (loss), and is net of any recoveries provided for in prior years. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Credit risks also exist in cash and cash equivalents.

### 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 commitments out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and 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 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**

As of January 31, 2022, the Company owed \$102,325 (January 31, 2021 - \$102,325) 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.

As of January 31, 2022, the Company owed \$171,783 to the shareholder and a company associated with the shareholder, 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 Company's capital structure consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, the equity component of convertible debt, and deficit.

The Company manages its capital structure and adjusts it in light of economic conditions. Upon approval from its Board of Directors, the Company 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 concerning capital risk management remains unchanged during the three month periods ended January 31, 2022, and 2021.

#### **Legal Proceedings**

The Company has no legal proceedings as of January 31, 2022.

#### **Off-Balance Sheet Arrangements**

There were no off-balance sheet arrangements as of January 31, 2022.

## **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 concerning 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 establishing and maintaining 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](http://www.sedar.com).