Management Discussion and Analysis

For the year ended May 31, 2019
Prepared as of August 12, 2019

General

The following is a discussion and analysis of the operations, results, and financial position of Dimension Five Technologies Inc. (the “Company”) for the year ended May 31, 2019, and should be read in conjunction with the financial statements for the year ended May 31, 2019, all of which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”).

Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company’s actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, the Company undertakes no obligation to release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to future price levels, success of technology development, success of marketing and product adoption, development time lines, currency fluctuations, requirements for additional capital, unanticipated expenses, trademark or patent disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future price levels; accidents, labor disputes and other risks of the technology industry; delays in obtaining approvals or financing. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

History of the Company

Dimension Five Technologies Inc. (the "Company") was incorporated in the Province of British Columbia on January 10, 2018, under the Business Corporations Act of British Columbia. The Company was listed on the Canadian Securities Exchange on February 12, 2019 under the symbol "DFT". The Company's primary business is the development and monetization of Investorbase. Investorbase is the rebranded version of the Company's online software application ("the App") originally branded as the Zimtu Advantage.

The head office and principal address are located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2 and the registered and records office of the Company is located at 885 West Georgia Street, Suite 900, Vancouver, BC, Canada V6C 3H1.

Year-to-date Highlights

On July 1, 2018, the Company completed the purchase of the Zimtu Advantage software application (the "App") from Zimtu Capital Corp. ("Zimtu"). The purchase includes 100% interest in the app including the source code, website and other intellectual property rights. The Company issued 10,000,000 common shares at $0.03 per share as consideration of payment for the purchase of the App for a total value of $300,000.

On July 1, 2018, the Company entered into a License Agreement with Zimtu, whereby the Company has granted a non-exclusive, non-transferable, non-sublicensable and revocable app user license to Zimtu for a fee of $10,000 per month. The current agreement is for a term of 18 months and may be renewed for an additional 18 months if mutually agreed upon. The agreement may be terminated by Zimtu by providing 30 days' notice to the Company. On November 1, 2018 Zimtu agreed that the minimum term of the license will be to October 31, 2019 and that 30 days' notice of termination would not be provided prior to October 1, 2019.

On July 6, 2018, the Company completed a non-brokered financing totalling $368,850 whereby it issued a total of 7,377,000 common shares at $0.05 per share. In association with this transaction, the Company paid $7,073 in finder's fees. The finder's fees were accounted for as a share issuance cost.

On July 27, 2018, the Company completed a non-brokered financing totalling $105,050 whereby it issued a total of 2,101,000 common shares at $0.05 per share.

On September 11, 2018, the Company entered into an App Further Development Agreement (the "AFDA") with Zimtu whereby Zimtu agreed to provide the Company with up to $100,000 in funding to further improve and re-develop the App for its use in accordance with a to be agreed upon payment schedule. Pursuant to the AFDA:

- The development services include improving functionality and data accuracy, rebranding the website and its landing page, providing marketing services and a program including email marketing, search engine marketing and optimization, online advertising and trade shows, and providing documentation for the improvements (collectively, the "deliverables");
- The Company remains the sole and exclusive owner of the deliverables;
- Upon payment of the fee, Zimtu will be granted a license to execute, perform, display and operate the App and to use and copy the documentation as required to operate the App;
- Upon acceptance of the deliverables by Zimtu, the Company will provide a limited 60-day warranty to cover any programming errors in the deliverables; and
- Expiry occurs on completion of the work which is expected to take up to one year.

On January 2, 2019, the Company received a payment of $50,000 from Zimtu pursuant to the AFDA.

On February 12, 2019, the Company began trading on the Canadian Securities Exchange under the symbol "DFT."

On March 29, 2019, the Company rebranded and launched the beta version of Investorbase. Investorbase is the latest version of the Company's software application.

Business of the Company

The Company's primary business is the development and monetization of the App. The App provides investors with detailed quotes of stocks listed on Canadian stock exchanges on a 15 minute delay along with other features. The App is a research platform for retail investors that helps connect investors with companies.

- Search for categories, keywords, news, company names, and tickers
- Select the news you are interested in to customize your news feed
- Create alerts based on various performance factors
- Easily track your investments

The App is currently being further developed to add more features.

Selected Annual Information

The following is a summary of the financial data of the Company for the year ended May 31, 2019 and the period from incorporation on January 10, 2018 to May 31, 2018. The following information is derived from the audited financial statements of the Company:

	For the year ended May 31, 2019 $	For the period from incorporation on January 10, 2018 to May 31, 2018 $
Total revenues	**110,000**	-
Net loss and comprehensive loss	**(244,919)**	(18,339)
Net loss per share and diluted share	**(0.01)**	(18,339)
Total assets	**621,868**	304,562
Total short-term financial liabilities	**2,924**	2,600
Total long-term financial liabilities	**-**	-
Cash dividend declared per share	**-**	-

The Company recorded a loss of $244,919 during the year-ended May 31, 2019 compared to a loss of $18,339 for the period from incorporation on January 10, 2018 to May 31, 2018. The Company began earning revenue related to the Zimtu license and began incurring app maintenance, wage, rent and other expenses during the year ended May 31, 2019. The increase in expenses was greater than the revenues which led to a greater loss for the year ended May 31, 2019 compared to the period from incorporation on January 10, 2018 to May 31, 2018.

Results of Operations

Net loss for the year ended May 31, 2019 was $244,919 compared to a net loss of $18,339 for the period from incorporation on January 10, 2018 to May 31, 2018. The difference between the two periods was $226,580.

Revenue

The Company recorded App license fees of $110,000 and $1,533 of interest and other income during the year ended May 31,2019. The company earned no revenue during the period from incorporation on January 10, 2018 to May 31, 2018.

Expenses

Expenses for the year ended May 31, 2019 (and the period from incorporation on January 10, 2018 to May 31, 2018): App maintenance expenses of $120,437 (2018: $nil) and general and administrative expenses of $236,015 (2018: $18,339). App maintenance expenses consist of stock market exchange data fees of $101,998 and website hosting fees of $18,439.

The Company incurred the following general and administrative expenses for the year ended May 31, 2019 (and for the period from incorporation on January 10, 2018 to May 31, 2018):

	For the year ended May 31, 2019 $	For the period from incorporation on January 10, 2018 to May 31, 2018 $
Advertising and promotion	**2,420**	2,232
Filing fees and transfer agent expenses	**29,615**	-
Office, rent and general	**19,725**	609
Professional services	**117,335**	15,498
Salaries and benefits	**51,900**	-
Share-based payments	**15,000**	-
	236,015	18,339

All operating expenses increased in the year ended May 31, 2019 compared to the period from incorporation on January 10, 2018 to May 31, 2018. This was mainly due to the Company's filing fees and transfer agent expenses and professional services expenses related to obtaining and maintaining its public listing in the current period compared to the prior period where it did not have a public listing. As well, the Company started paying wages to its CEO in October 2018.

Filing and transfer agent fees consist of stock exchange fees of $15,606 (2018: $nil), B.C. Securities Commission fees of $7,000 (2018: $nil), transfer agent fees of $6,177 (2018: $nil) and other party fees of $832 (2018: $nil). Professional services expenses consist of legal $61,490 (2018: $15,498), accounting and auditing $52,415 (2018: $nil),and consulting $3,450 (2018: $nil). Salaries and benefits consist of wages and benefits paid to and on behalf of the Company's CEO. Share-based payments relates to options granted in the period.

Summary of Quarterly Results

The following presents selected audited and unaudited financial information from the completed financial quarters since the incorporation of the Company:

	May 31, 2019 $	**February 28, 2019 $**	**November 30, 2018 $**	**August 31, 2018 $**
Revenue	9,694	50,306	30,000	20,000
Expenses	88,840	96,874	110,303	60,435
Net loss	77,814	46,367	80,303	40,435
Total assets	621,868	717,648	744,889	800,287
Working Capital	290,570	348,078	414,751	482,203
Total liabilities	31,298	49,264	30,138	20,233
Equity	590,570	668,384	714,751	780,054

	May 31, 2018 $	February 28, 2018 (Note 1) $
Revenue	-	-
Expenses	10,705	7,634
Net loss	10,705	7,634
Total assets	304,562	14,024
Working Capital	2,600	12,367
Total liabilities	2,600	1,658
Equity	301,962	12,366

Note 1: Results from the quarter ended February 28, 2018 relate to the 50 day period from incorporation on January 10, 2018 to February 28, 2018.

The quarterly fluctuations shown above were generally related to the Company entering into the App purchase and licensing agreements on July 1, 2018 as well as the timing of financings and certain expenses. During the quarter ended August 31, 2018, the Company completed the purchase of the App from Zimtu and entered into a licensing agreement with Zimtu where the Company earns $10,000 per month in license fees. Related to the App purchase, the Company began incurring operating expenses including: stock market data and website hosting expenses. Fluctuations in expenses that occurred between all quarters were primarily related to the timing of legal and accounting fees for advisory services related to the Company's journey towards it stock exchange listing which was achieved February 12, 2019.

During the three months ended May 31, 2019, the Company:

- Earned $9,694 (2018: $nil) in App license revenue and $1,533 of interest and other income.
- Recorded app maintenance expenses of $27,565 (2018: $nil).
- Recorded general and administrative expenses of $61,275 (2018: $10,705) as detailed below.

General and administrative expenses

During the three months ended May 31, 2019, the Company incurred the following general and administrative expenses:

	2019 **$**	2018 $
Advertising and promotion	**1,228**	456
Filing fees and transfer agent expenses	**8,283**	-
Office, rent and general	**16,859**	108
Professional services	**15,140**	10,141
Salaries and benefits	**19,765**	-
	61,275	10,705

All operating expenses increased in the three months ended May 31, 2019 compared to the three months ended May 31, 2018. The increases were primarily related to:

- Filing fees and transfer agent expenses related to maintaining the Company's CSE listing.
- Rent and other office expenses related to the management services agreement with Zimtu which commenced March 1, 2019.
- Wages to the Company's CEO starting in October 2018.

Liquidity and Capital Resources

Total assets of the Company as at May 31, 2019 were $621,868 compared to $304,562 as at May 31, 2018. The primary assets are cash of $36,081 (May 31, 2018: $302,094), guaranteed investment certificates ("GICs") of $278,750 (May 31, 2018: $nil), and intangible assets of $300,000 (May 31, 2018 $nil). The Company has no long-term debt.

At May 31, 2019, the Company had a working capital of $290,570 compared to $301,962 at May 31, 2018. Working capital includes cash of $36,081(May 31, 2018: $302,094) available to meet current financial liabilities of $2,924 (May 31, 2018: $2,600) and other short term business requirements. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash used in operating activities during the year ended May 31, 2019 was $234,164 compared to $18,207 of cash used in operating activities during the period from incorporation on January 10, 2018 to May 31, 2018. Cash was mostly spent on app maintenance fees, filing fees and transfer agent expenses, professional fees and salaries and benefits and adjusted for items not involving cash.

Cash used in investing activities during the year ended May 31, 2019 was $300,376 compared to $nil cash used in investing activities during the period from incorporation on January 10, 2018 to May 31, 2018. Cash was used to purchase GIC's and to improve and re-develop the App.

Cash provided by financing activities during the year ended May 31, 2019 was $268,527 compared to $320,301 of cash provided by financing activities during the period from incorporation on January 10, 2018 to May 31, 2018. Cash was mainly provided from the issuance of common shares and App improvement and development funds received from Zimtu.

During the period ended May 31, 2019, the Company raised $545,900 through the issuance of common shares, of which $320,300 in subscriptions were received during the period ended May 31, 2018.

The Company has financed its operations to date primarily through the issuance of common shares. The Company believes that it has sufficient working capital for its short-term corporate obligations but generation of additional capital will be required for future operations until sufficient revenue can be generated from the Company's App. As the Company cannot predict the time at which revenue will exceed expenses, the Company continues to seek capital through various means including the issuance of equity and/or debt.

In management's view, given the nature of the Company's operations, which consist of the development of the App, the most relevant financial information relates primarily to current liquidity, solvency and planned development expenditures. The Company's financial success will be dependent upon the extent to which it can complete development of its current product and the user absorption the product receives. Such development may take longer than expected and the amount of resulting revenue, if any, is difficult to determine. The value of the core product is largely dependent upon many factors beyond the Company's control.

Off balance sheet arrangements

As at May 31, 2019, the Company had no material off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Related Party Transactions

During the year ended May 31, 2019, compensation of related parties was as follows:

Key management and related party compensation	For the year ended May 31, 2019 $	For the period from incorporation on January 10, 2018 to May 31, 2018 $
Remuneration and fees*	28,748	-
Salaries and benefits (paid to the Company's CEO)	48,000	-
Share-based payments (for options granted to directors of the Company)	15,000	-
	91,748	-

* The remuneration and fees were allocated to professional fees of $24,000 and share issuance costs of $4,748.

During the year ended May 31, 2019, the Company earned $110,000 (May 31, 2018: $nil) in App license fees from Zimtu, a company where a director of the Company is the CEO, pursuant to the LA as described below.

During the year ended May 31, 2019, the Company incurred professional fees of $24,000 (May 31, 2018: $nil) to a company controlled by the CFO of the Company.

During the year ended May 31, 2019, the Company incurred administrative and managerial fees of $16,500 (May 31, 2018: $nil) to Zimtu pursuant to the MSA as described below.

During the year ended May 31, 2019, the Company incurred finder's fees of $4,748 (May 31, 2018: $nil) to Zimtu.

On June 15, 2018, the Company issued 3,600,000 common shares at $0.02 per share to certain directors and officers of the Company for proceeds of $72,000.

On July 1, 2018, the Company purchased the App including the source code, website and other intellectual property rights from Zimtu for 10,000,000 common shares valued at $0.03 per share for total consideration of $300,000. Of this amount, 4,300,000 common shares were issued to officers of the Company and 4,000,000 common shares were issued to Zimtu.

On July 1, 2018, the Company entered into a License Agreement (the "LA") with Zimtu, whereby the Company has granted a non-exclusive, non-transferable, non-sublicensable and revocable app user license to Zimtu for a fee of $10,000 per month. The LA is for a term of 18 months and may be renewed for an additional 18 months if mutually agreed upon. The LA may be terminated by Zimtu by providing 30 days' notice to the Company. Pursuant to the LA, Zimtu has agreed to fund the Company's improvement, development and marketing costs for the App up to a maximum of $100,000. On November 1, 2018, Zimtu agreed that the minimum term of the license will be to October 31, 2019 and that 30 days' notice of termination would not be provided prior to October 1, 2019.

On September 11, 2018, the Company entered into an App Further Development Agreement (the "AFDA") with Zimtu whereby Zimtu agreed to provide the Company with up to $100,000 in funding to further improve and re-develop the App for its use in accordance with a to be agreed upon payment schedule. Pursuant to the AFDA:

- The development services include improving functionality and data accuracy, rebranding the website and its landing page, providing marketing services and a program including email marketing, search engine marketing and optimization, online advertising and trade shows, and providing documentation for the improvements (collectively, the "deliverables");
- The Company remains the sole and exclusive owner of the deliverables;
- Upon payment of the fee, Zimtu will be granted a license to execute, perform, display and operate the App and to use and copy the documentation as required to operate the App;
- Upon acceptance of the deliverables by Zimtu, the Company will provide a limited 60-day warranty to cover any programming errors in the deliverables; and
- Expiry occurs on completion of the work which is expected to take up to one year.

On January 2, 2019, the Company received a payment of $50,000 from Zimtu pursuant to the AFDA.

On March 1, 2019, the Company entered into a Management Services Agreement (the "MSA") with Zimtu. Pursuant to the MSA, Zimtu will provide the Company with administrative and managerial services for a fee of $5,500 per month plus GST, including office space and equipment, for a term on nine months ending on November 30, 2019. Zimtu can renew the MSA for further 12 month terms provide that it hasn't been terminated by either party upon giving one month notice to the other.

Other MD&A Requirements

Disclosure of Outstanding Share Capital

The Company has an authorized share capital of:

i. Unlimited common shares without par value
ii. Unlimited preferred shares without par value

The following table describes the issued and outstanding share capital of the Company:

	August 12, 2019	May 31, 2019	May 31, 2018
Common Shares	23,078,001	23,078,001	1
Preferred Shares	-	-	-
Stock Options	400,000	400,000	-
Fully Diluted Shares	23,478,001	23,478,001	1

On February 12, 2019, there were 1,430,000 common shares released from escrow. At the date of this report, there were 12,870,001 remaining in escrow.

For additional details of outstanding share capital, refer to the financial statements for the year ended May 31, 2019.

Risk Factors

Liquidity Concerns and Future Financing Requirements: The Company is in the development phase and has not generated any revenue. It will likely operate at a loss until its business becomes established and may require additional financing to fund future operations and expansion plans. The Company’s ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company’s business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to it. If additional financing is raised by issuing Shares from treasury, control of the Company may change, and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its business plan or cease operating.

Limited Operating History and No Assurance of Profitability: The Company is a start-up business with a limited operating history and no established brand recognition. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risks that it will not establish a market for its services, achieve its growth objectives or become profitable. The Company anticipates that it may take several years to achieve positive cash flow from operations. There can be no assurance that there will be demand for the Company’s services or that the Company will become profitable.

Need for funds: In the short term, the continued operation of the Company will be dependent upon its ability to procure additional financing. The Company must obtain such financing through equity financing and there can be no assurance that the Company can raise the required capital it needs to build and expand the Company’s business. Without this additional financing, the Company may be unable to advance the Company’s business model, and the Company will likely fail. There can be no certainty that the Company can obtain these funds, in which case any investment in the Company may be lost. The raising of equity funding will also result in dilution of the equity position held by the Company’s shareholders.

Uncertainty of Use of Proceeds: Although the Company has set out its intended use of available funds in this Prospectus, the uses and figures provided are estimates only and are subject to change. While management does not contemplate any material variation from such estimates, management retains broad discretion in the application of such proceeds. See “Use of Proceeds”.

Operational Risks: The Company will be affected by several operational risks against which it may not be adequately insured or for which insurance is not available, including: catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labor disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company’s premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company’s operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

Technology Risk: The Company’s products and services are dependent upon advanced technologies which are susceptible to rapid technological change. There can be no assurance that the Company’s products and services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, some of the Company’s services are currently under development and there can be no assurance that these development efforts will result in a viable service as conceived by the Company or at all.

Unforeseen Competition: There can be no assurance that significant competition will not enter the market and offer any number of similar services to those provided by the Company. Such competition could have a significant adverse effect on the growth potential of the Company’s business by effectively dividing the existing market for such products and services.

Trends: The Company’s success depends on the continuation of stock trading and the ability of products to add new users, sell licensing and generate revenue. Future revenues will be largely dependent on the company’s ability to generate revenue from third parties advertising within the Company’s products. Changes in media trends which affect user adoption and marketing habits may significantly affect the Company’s ability to collect revenue in the future. If third party marketers decide that the Company’s products are experimental or unproven, or if third party policies limit our ability to deliver or target advertising on mobile devices and desktop, or if adverse legal developments arise relating to advertising, including legislative and regulatory developments and developments in litigation, or if our products are unable to sustain or increase the value of our ads or marketers’ ability to analyze and measure the value of our ads, or if trends for advertising on mobile devices or on personal computers changes, our advertising revenue could be adversely affected.

Dependence on Personnel: The Company’s future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable to unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members.

Management of Growth: The Company may experience a period of significant growth that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train motivate and manage the workforce. The Company’s current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Data Security Risks: The Company will utilize servers with significant amounts of data stored thereon at the company’s physical office and stored on the cloud, on the internet through third party companies. Should the Company be responsible for the loss of any or all the data stored by it, the liability could materially undermine the financial stability of the Company. Also, much of the data stored at the Company’s premises or within the servers will be confidential. Anyone who can circumvent the Company’s security measures could misappropriate proprietary information or cause interruptions in its operations.

Volatility of Share Price: It is anticipated that the Shares will be listed for trading on the Exchange in the near future. As such, factors such as announcements of quarterly variations in operating results, revenues, costs and market conditions in the digital advertising industry may have a significant impact on the market price of the shares. Global stock markets, including the Exchange, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology and marketing sectors. There can be no assurance that an active or liquid market will develop or be sustained for the Shares.

Dividends: The Company has not paid dividends to shareholders in the past and does not anticipate paying dividends in the foreseeable future. The Company expects to retain its earnings to finance growth.

Officer and Director Conflicts: Because directors and officers of the Company and/or the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies, the directors and officers of the Company may have a conflict of interest in conducting their duties. There can be no assurance such conflicts of interests will be resolved to the benefit of the Company.

Our future growth depends in large part on the success of our partner relationships: In addition to our sales force, we rely on partners to increase our sales and distribution of our software and services. We are dependent on partner relationships to contribute to our growth and to create leverage in our business model. Our future growth will be increasingly dependent on the success of our partner relationships, and if those partnerships do not provide such benefits, our ability to grow our business will be harmed. If we are unable to scale our partner relationships effectively, or if our partners are unable to serve our customers effectively, we may need to expand our services organization, which could adversely affect our results of operations.

We may not be able to respond to rapid technological changes with new offerings: The markets for our software are characterized by constant technological changes, changing open-source software platform technologies and standards, changing customer needs and frequent new software product introductions and improvements. The introduction of third-party solutions embodying new technologies and the emergence of new industry standards, including any open-source projects that have become widely adopted, could make our existing and future software offerings obsolete and unmarketable.

Incorrect or improper implementation or use of our software could result in customer dissatisfaction: Our platform must integrate with a variety of operating systems, software applications and hardware developed by others. If we or our customers are unable to implement our software successfully, or are unable to do so in a timely manner, or if we are unable to devote the necessary resources to ensure that our solutions interoperate with other software, systems and hardware, customer perceptions of our company may be impaired, our reputation and brand may suffer and customers may choose not to increase their use of our software.

The reliability of our software will be critical to our success: Our reputation and ability to attract, retain and serve our customers are dependent upon the reliable performance of our software and our underlying technical and network infrastructure. We have experienced, and will in the future experience, interruptions, outages and other performance problems. In addition, we rely on third-party service providers to host and deliver certain information, and these third parties may also experience interruptions, outages and other performance problems. Such disruptions may be due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints and inadequate design. A future rapid expansion of our business could increase the risk of such disruptions. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Any errors, defects or security vulnerabilities discovered in our offerings could result in loss of revenue or delay in revenue recognition, loss of customers and increased service and warranty cost, any of which could adversely affect our business, results of operations and financial condition.

If we are unable to protect our intellectual property rights, our competitive position could be harmed or we could be required to incur significant expenses to enforce our rights: Our ability to protect our intellectual property affects the success of our business. We rely on trade secret, patent, copyright and trademark laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. The steps we have taken to protect our proprietary rights may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights, and our ability to police such misappropriation or infringement is uncertain. The intellectual property rights granted to us, if any, may not provide us with proprietary protection or competitive advantages, and, as with any technology, competitors may be able to develop similar or superior technologies to our own now or in the future. In addition, we rely on contractual and license agreements with third parties in connection with their use of our products and technology. There is no guarantee that such parties will abide by the terms of such agreements or that we will be able to adequately enforce our rights.

Claims by others that we or our customers infringe the proprietary technology of such other persons could force us to pay damages or prevent us from using certain technology in our products: Third parties could claim that our products or technology infringe their proprietary rights. Any claim of infringement by a third party, even one without merit, could cause us to incur substantial costs defending against the claim, and could distract our management from our business. Furthermore, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from offering our products. In addition, we might be required to seek a license for the use of such intellectual property, which may not be available on commercially reasonable terms or at all. Alternatively, we may be required to develop non-infringing technology, which could require significant effort and expense and may ultimately not be successful.

Changes in Accounting Policies

There have been no changes in the accounting policies.

Future Accounting Standards, Amendments, and Interpretations Not Yet Effective

For details of the Company’s Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 3 of the Company’s financial statements for the year ended May 31, 2019.

Financial Instruments and Capital Disclosures

As at May 31, 2019, the Company's financial instruments consist of cash, GICs, interest receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximate their fair values. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, and market risk. A discussion of the Company’s use of financial instruments and their associated risk is provided below:

a) Fair value - The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company’s investments. The hierarchy of inputs and description of inputs is described as follows:

b) Interest rate risk - The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GICs bear interest at a rate of prime minus a percentage and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The sensitivity of the Company to a variation of 1% in the interest rate would not have a significant impact. The Company’s other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

c) Credit risk - The Company is not exposed to significant credit risk on its cash and GICs due to them being placed with a Canadian chartered bank. One customer accounted for 100% of the Company’s licensing revenue.

d) Currency risk - The Company is not exposed to significant currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

f) Market risk - Market risk is the risk that the fair value of or future cash flows from the Company’s financial instruments will significantly fluctuate because of changes in market prices. The Company is not exposed to significant market risk as the financial instruments consists mainly of cash and GICs held at a major Canadian chartered bank.

g) Capital management - The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Company may raise additional capital for additional cash required. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to identify and acquire new investment or business opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended May 31, 2019 and May 31, 2018. The Company is not subject to externally imposed capital requirements.

Proposed Transactions and Subsequent Events

There are currently no proposed transactions or subsequent events.

Approval

The Board of Directors of Dimension Five Technologies Inc. has approved the disclosure contained in this MD&A.