ATI AIRTEST TECHNOLOGIES INC.

Management Discussion and Analysis

For the year ended December 31, 2018

This Management Discussion and Analysis of ATI AirTest Technologies Inc. (the "Company") provides analysis of the Company's financial results for the year ended December 31, 2018. The following information should be read in conjunction with the accompanying audited financial statements and the notes to the audited financial statements for the year ended December 31, 2018.

1.0 Date of the Report

April 30, 2019

1.1 Introduction

The following management's discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for the Company and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018. Readers are encouraged to review the Company's consolidated financial statements in conjunction with this document, copies of which are filed on the SEDAR website at www.sedar.com. The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared in accordance with IFRS 1, "First- time Adoption of International Reporting Standards" as issued by the International Accounting Standards Board ("IASB").

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars and have been prepared in accordance with IFRS.

This MD&A contains forward-looking statements. Forward-looking statements may also be made in the Company's other reports filed with or furnished to Canadian securities commissions. In addition, from time to time, the Company through its management may make oral forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. The words "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "likely", "may," "optimistic," "plan," "potential", "predict", "should," "will," "would," and other similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance, and therefore you should not put undue reliance upon them. The material assumptions supporting these forward-looking statements include, among other things the Company's ability to:

- obtain any necessary financing on acceptable terms;
- keep pace with rapid changes in consumer demands;
- rely on third party manufacturers;
- manage expansion effectively;
- enforce its intellectual property rights;
- launch additional product lines;
- retain its skilled personnel;
- manage current tax and regulatory regimes;
- manage the fluctuation in foreign currency exchange rates and interest rates; and
- follow general economic and financial market conditions.

Some of the factors that may cause actual results to differ materially from those indicated in these statements are found in the section "Risk Factors" in this MD&A.

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

1.2 Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars. The Company's functional currency is the United States dollar.

1.3 Overall Performance

For the year ended December 31, 2018 the Company had a 24.3% decrease in sales from year 2017. The Company reported a Net Loss of $1,273,920 for the year ended December 31, 2018. This large increase in Net Loss resulted primarily from three factors; (1) a change in the accounting adjustment for Foreign Exchange causing a loss adjustment of $393,992, (2) a loss of Sales which led to a reduction in Gross Profit of $370,836, and (3) no repeat of the 'Gain on Loan Extinguishment' amounting to $246,791 in 2017.

The Company's working capital deficiency increased from $3,208,229 as at December 31, 2017 to $3,945,342 as at December 31, 2018.

Our loss of sales volume in 2018 was partly due to the loss of a few customers who our European suppliers started to sell direct, but most of the sales reduction was related to working capital deficiencies which had a double effect of forcing us to cut back on our inventory levels thereby losing some off the shelf sales, and also delaying shipments from suppliers which in some cases caused accounts who had project timing commitments to cancel their orders. This type of problem was corrected by the start of 2019 so sales have corrected to earlier levels in the first part of 2019. Even though some Airtest customers cancelled some orders due to delivery delays, we did not lose those customers and for the most part they have continued purchasing from Airtest as long as delivery schedules are met.

General and administrative expenses decreased by $140,606, and Business Development and Marketing Expenses increased by $17,064 so very little change in the expense structure.

1.4 Selected Annual Information

The following tables provided selected financial information for the last three fiscal years.

Fiscal Year	**2018**	**2017**	**2016**
Net Sales	$ 2,703,073	$ 3,572,071	$ 3,046,546
Net and Comprehensive Gain (Loss)	$ (958,848)	$ (619,085)	$ (662,257)
Basic and diluted gain/(loss) per share	$ (0.03)	$ (0.02)	$ (0.02)
Total Assets	$ 487,748	$ 481,182	$ 767,435
Total Long Term Liabilities	$1,351,632	$1,130,489	$1,167,910
Cash dividends per common share	N/A	N/A	N/A

1.5 Results of Operations

Revenue

Sales for the year 2018 totaled $2,703,073 down $868,998 or 24.3% from sales for 2017 of $3,572,071. During 2018, the Company lost some volume of its core business due to delivery scheduling problems caused by cash flow deficiencies. The cash flow issue also somewhat held back the marketing of its new wireless technology. The sales were also compromised by the Company’s inability to complete some R&D projects that would have resulted in product enhancements that would have contributed to additional growth. These projects had to be postponed due to lack of working capital.

Gross Profit

Gross Profit on sales amounted to $969,283 in 2018 compared to $1,340,119 in 2017, an decrease of $370,836 or 27.7%. Gross margin as a percentage of sales decreased from 37.5% to 35.9% for a loss of 1.6%.

Expenses

Total expenses for the year 2018 were $1,399,016 compared to $1,533,301 for the year 2017. Expenses in year 2018 were reduced by $134,285 or 8.8% over year 2017. This increase resulted from a decrease in General and Administrative expense of $140,606.

Profit

The Company recorded a net loss of $1,273,920 for the year 2018 as compared to a net loss of $398,781 for the same period in 2017.

With increased sales of its new combination package of the WiFi CO2 sensors and the RTUiLink control system as well as the introduction of its wireless chiller monitor and a new wireless solar powered CO2 transmitter, the Company anticipates some very strong growth through the next three years. The key to executing the Company's plan for growth will be its ability to finance its marketing program as well as the growth that will result from that program. There was a delay in moving this program forward due to the working capital deficiencies encountered through 2018.

1.6 Summary of Quarterly Results

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	$673,570	$ 719,917	$ 726,733	$ 582,853	$715,874	$ 804,773	$1,122,615	$ 928,809
Loss	$819,237	$ 128,992	$ 116,083	$ 235,576	$217,062	$ 91,229	$ 7,210	$ 83,280
Basic and diluted loss per share	$ 0.02	$ 0.00	$ 0.00	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00

1.7 Liquidity

In the first quarter of 2018 the Company received a total of $360,000 from Omni Marketing Global as the final portion of a $1,000,000 advance that was tied to the Sales Royalty Agreement that was completed at the end of 2017. Although it took much longer than anticipated by Management, the Sales Royalty Agreement was finally completed and signed by both parties on December 29, 2017.

To get final Exchange approval of the Sales Royalty Agreement the Company was required to obtain shareholder approval, which caused a delay in filing our 2017 financial statements and resulted in a Cease Trade Order which further delayed the company's plan for financing and aggressively pursuing its marketing plan.

Management was forced to arrange some temporary bridge financing in an attempt to maintain sufficient working capital to look after our existing business, but not providing the working capital that would enable us to pursue our marketing plan particularly as it related to our strong new product base. We were able to bring in enough working capital to support the recovery of our core business, and to continue limited promotion of our new wireless products. Management now feels we are in position to raise some significant capital that will allow us to go full speed with our complete marketing program and take advantage of some obvious opportunities for our unique systems that provide considerable energy savings for most occupied commercial buildings.

1.8 Capital Resources

The Company has no commitments for capital expenditures as of the end of 2018. Capital will be required for growth, and for completion of some remaining in-house product development projects. The necessary capital will be put in place through a combination of equity financing and development of non-equity financing which will become available once the Company is able to report strong growth and consistent profitability.

1.9 Off-Balance Sheet Arrangements

As of December 31, 2018, the Company had no material off-balance sheet arrangements.

1.10 Transactions with Related Parties

(a) During the year 2018, the Company paid or accrued salaries to directors and officers of $Nil (2017 - $Nil).

(b) At December 31, 2018, $224,786 is payable to directors and officers for accrued services and advances (2017 - $116,346).

	Relationship	December 31, 2018	December 31, 2017
Murray Graham	CFO	$ 18,408	$ 285
George Graham	CEO	142,378	52,061
Darrel Taylor	Director	45,000	45,000
Robert Mebruer	Director	19,000	19,000
Total		$ 224,786	$ 116,346

Amounts becoming due to related parties in the normal course of operations, except where specifically stated, are non-interest bearing, unsecured, and without terms of repayment.

During the year ended December 31, 2018, the Company incurred salaries of $120,000 to Murray Graham, CFO, and $192,000 to George Graham, President & CEO, totaling $312,000 (2017-$312,000) to its key management personnel.

1.11 **Proposed Transactions**

There are currently no proposed transactions by the Company.

1.12 **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, accounts receivable, an asset-based loan, a merchant advance loan, shareholder loans, advances from related parties, accounts payable and accrued liabilities.

The asset-based loan from Pivot Financial in Toronto is secured by the Company's accounts receivable. Both the shareholder loans and the advances from related parties have been included in the Sales Royalty Agreement and those debts will be eliminated when royalty payments total the balance of those shareholder loans and advances.

Because a high percentage of the Company's sales are made in United States, and also because the Company has three important suppliers based in Europe, there is an element of risk related to any large fluctuation in the relationship between the Euro, the Canadian dollar and the US dollar.

1.13 Share Data

The number of common shares issued and outstanding as of the date of this filing is 34,705,581.

1.14 Evaluation and Effectiveness of Disclosure Controls and Procedures

Under National Instrument 52-109 management is now required to certify that they have caused the company to design suitable controls over external disclosure and financial reporting. Management must also undertake reviews of the effectiveness of such controls and discuss areas of significant weakness and the associated risks as well as their plans to address them.

The company has not had sufficient financial resources to maintain dedicated internal financial reporting and qualified professional accounting personnel. Accordingly, financial reporting controls and internal transaction controls are designed and provided primarily by management with limited involvement from external consultants and professionals. This approach has been determined by management to be the most cost effective to date. However, controls may not be as strong as other entities with access to greater resources.

Management and the audit committee have discussed and identified areas that need to be improved as the company expands its scope of operations and strives to meet current market and regulatory expectations relating to the effectiveness of controls.

When control weaknesses are identified there is increased risk of release of inappropriate disclosures. There is also increased risk of misstatement in financial reporting through errors, omissions or fraudulent activity that could occur and go undetected. The Company intends to direct additional resources to improving identified deficiencies and improve the overall control environment and governance processes within the company where deemed required.

The Company recognizes that its existing control measures do not comply with a recognized internal control framework such as COSO. The Company believes such a framework is not viable at this time due to the limited number of personnel, volume of transactions, and lack of financial resources.

1.15 Risks and Uncertainties

The Company operates in a competitive market. The Company needs to deliver high quality, cost effective, components to market and meet the timelines required by customers. The Company must develop next generation components to satisfy the future needs of their customers. Should the Company be unable to continue to manufacture and develop their products or should a competitor beat them to the market this would adversely affect future sales.

The Company currently has limited working capital and incurs significant expenses on an on-going basis in its operations, and this represents a significant risk factor. The Company will require additional financing to continue to grow its business, and such financing may not be available when it is needed.

The Company does not have significant environmental risk and in fact makes a very positive contribution to improving the environment.