ONESOFT SOLUTIONS INC.

2020

Q2

Management's Discussion & Analysis

Three and Six months ended June 30, 2020

This Management's Discussion and Analysis is dated August 25, 2020.

INTRODUCTION

This MD&A of the results of operations, cash flows and financial position as at and for the three and six months ended June 30, 2020 should be read in conjunction with the unaudited, condensed interim financial statements and accompanying notes for the three and six months ended June 30,2020 and the audited consolidated financial statements and notes thereto for the year ended December 31, 2019 and ten month fiscal period ended December 31, 2018. The financial statements and additional Company information are available to view on www.sedar.com. References in this MD&A to "OneSoft", the "Company", "OSS", "us", "we", and "our" mean OneSoft Solutions Inc. and its subsidiaries, unless the context otherwise suggests.

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and include the accounts of OneSoft and its wholly owned subsidiaries: OneBridge Solutions, Inc., OneBridge Solutions Canada Inc. (together, "**OneBridge**") and OneCloudCo Limited. On January 1, 2020, CloudCo Solutions Inc. and OneBridge Solutions Inc. were statutorily amalgamated to form OneBridge Solutions Canada Inc. On January 1, 2020, OneCloudCo Inc. acquired OneBridge Solutions, Inc from OneSoft Solutions Inc.

OneSoft's shares trade on the TSX Venture Exchange in Canada, under the symbol "OSS", and are listed on the OTCQB market in the USA, under the symbol "OSSIF".

This MD&A contains forward-looking information based on certain expectations, projections, and assumptions. This information is subject to many risks and uncertainties, many of which are beyond the Company's control. Users of this information are cautioned that actual results may differ materially. Readers are directed to the "Risks and Uncertainties" on page 11 of this document and to the "Advisory Regarding Forward Looking Information" on page 16.

NON-IFRS MEASUREMENTS

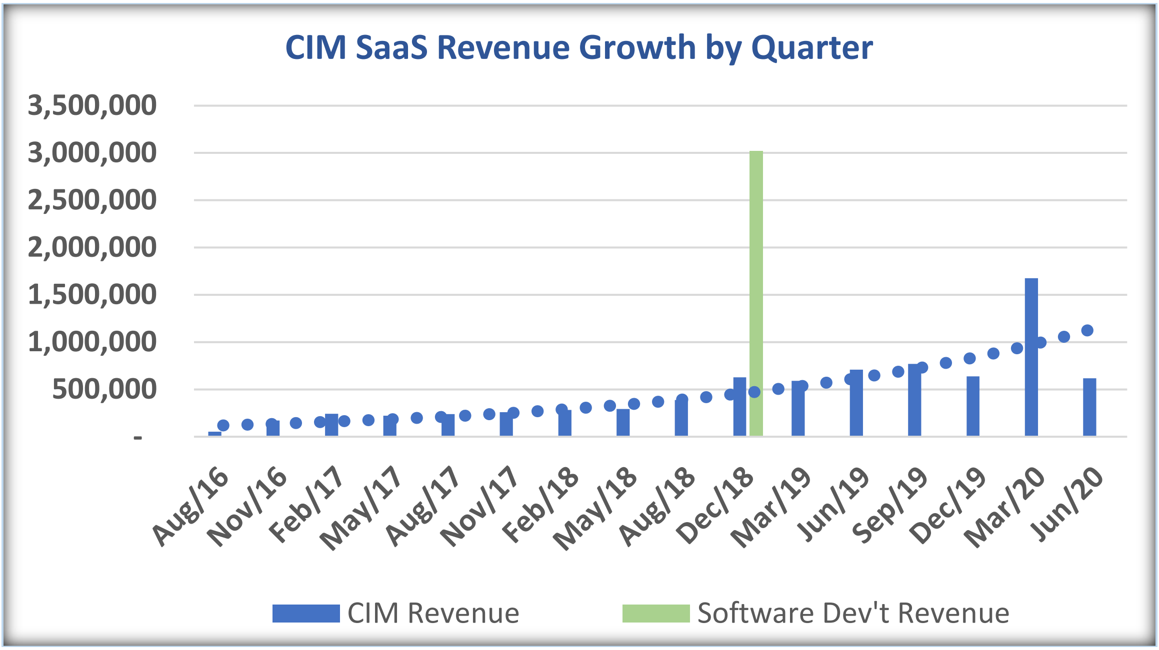
The Company defines Adjusted EBITDA as earnings before interest, income taxes, stock option expense, depreciation, amortization, and impairment charges. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to comprehensive income or loss as determined in accordance with IFRS. A table on page 15 reconciles Adjusted EBITDA with comprehensive income or loss. Management uses Adjusted EBITDA as a measure of cash generation in its budgeting and financial reporting processes, recognizing that it does not reflect working capital and other balance sheet changes.

Cash from operations is defined as cash flows from operating activities before changes in the balances of working capital accounts.

Q2 2020 DISCUSSION

Sales and Revenue

- As noted in prior published documents, the Company anticipates that quarter-over-quarter revenue will continue to be highly variable for the next year or two. We anticipate these quarterly client revenue variances will begin to diminish:
    a) as our clients move through second and subsequent years of utilizing our *Cognitive Integrity Management*™ ("**CIM**") software-as-a-service ("**SaaS**") solution and thereafter establish more stable software utilization patterns. Currently, historic data ingested into CIM skews revenue during initial implementation phases; and
    b) as we add more clients, which will tend to smooth the aggregated CIM utilization patterns due to the higher number of clients.
- The quarterly revenue for the past 3 quarters shown in the following chart reflects our clients' timing of uploading their data sets into CIM which triggers revenue recognition, and which varies by client. Although historic data ingestion generates only a small portion of revenue as compared to new inline inspection ("ILI") data sets, the volume of historic compared with new ILI data sets tends to skew revenue during the first one to two years use of CIM as data for pipeline segments is onboarded by clients. Management believes that the most important metric in the chart below is the dotted line, which illustrates the growth trend of revenue. Management focuses on this trend line as we believe this is a key factor that will drive increasing future value for shareholders, rather than the quarterly revenue variances.



- Management continues to field enquiries from Company followers questioning why new clients have not been added and announced thus far in 2020. In response, it is beneficial to understand the following factors:

  a) Following the addition of 4 new clients during the first 4 months of 2019, the Company focused on onboarding these clients, with the key priority being assurance of high client satisfaction of the early CIM adopters who had made decisions to replace their legacy technology and processes that had been used for decades. In addition to providing extensive implementation and training services in support of this objective, the Company also concurrently added certain new functionality as a result of CIM user feedback (e.g., a "Dig Management" module) that further enhances our CIM platform and increases the probability of dependence and long term use by clients.

  b) The addition of the 4 new clients in 2019 also provided the opportunity to optimize the onboarding of new clients, through development of automated processes that can now significantly reduce implementation and training procedures. For perspective, one of the larger onboarding projects that took 12 months could now likely be done in 2 to 3 months using the new tools and methodology. This focus of Company resources and objectives during the last eight months of 2019, to assist clients to smoothly transition from legacy systems to CIM, was a necessary prerequisite to scale future sales and to ensure that early adopter clients would become highly referenceable for future sales.

  c) Oil and gas pipeline operators typically conduct annual planning and budgeting during the last quarter of each year, with a view to implement initiatives in the ensuing year. Whereas Q1 of 2020 commenced with a backlog of sales-associated activity, two factors abruptly curtailed such activity commencing in February.

     - Firstly, the global energy prices severely declined which decimated many market capitalizations of prospective client companies, thereby stalling certain future-oriented business initiatives including new technology adoption.

     - Secondly, the Covid-19 pandemic took hold in North America in February, which resulted in a change of operational priorities as prospective clients scrambled to reorganize to operate their businesses with off-site employees.

Action Taken To Compress Sales Cycles

- Whereas the Company's senior executives were required to be involved in all of the sales processes involving the initial six clients, a seasoned senior sales executive with experience in our markets was hired In Q1 2020 to revamp sales and production trial processes, with the objective to scale the sales cycle – i.e., to increase our capability to concurrently identify large numbers of prospective clients, initiate production trials, manage associated logistics and convert prospective clients to commercial, long-term clients in reduced timeframes. Accordingly, in Q2, the Company implemented a sophisticated client relationship management system and engaged additional marketing, sales and lead generation personnel and resources.

- Management believes that the revamping of our sales processes is critically important to scale future sales and onboarding of new clients, irrespective that we are currently experiencing delays in signing new clients, resulting from economic events spurred by the energy price decline and Covid-19. As at the end of Q2, the Company is managing a higher number of sales opportunities than ever before in its history, currently involving 16 concurrent sales projects, 5 production trials, and several companies that appear to be close to engaging in long term CIM usage agreements. Management anticipates that several new CIM clients will be contracted by the end of 2020, based on these sales activities that are currently underway with prospective clients in the USA, Canada, Brazil, Argentina, Australia and the United Arab Emirates.

- Management's optimism regarding signing of new clients in 2020 is tempered with caution, due to the uncertainty of how Covid-19 fallout might evolve. Economic circumstances for the balance of 2020 and beyond, and how these might affect the Company's progress cannot be known with certainty at this point. Whereas interest in and traction of the Company's solutions continues to increase globally, timing of sales depends upon some factors that are not in our control:

    a) Our production trial process, which enables prospective clients to trial and test our solutions using their own data, can now be initiated, conducted and finalized with reportable results within a 3- to 4-week period. Regardless, internal deliberations within our prospective clients' organizations to select and provide data, and assess the results and impact to their organizations are still expected to be protracted, as this research typically involves numerous personnel across multiple departments, all of which is time consuming and not in our control to schedule.

    b) We have encountered sales delays wherein prospective clients have paused investigation of CIM for various reasons, including pending a post-Covid return of their employees to office work environments, corporate budget revisions as a result of volatile energy prices, or awaiting rebound of their market capitalizations.

    c) We have also encountered prospective clients who participated in and acknowledged successful production trials, then shelved their decisions to adopt CIM for undisclosed reasons. One of our clients had paused for nearly a year after a successful production trial before proceeding to onboard CIM in 2019, and another prospective client who paused for 15 months after a successful production trial has recently revived their interest in proceeding with a commercial agreement. One prospective client is in process of investigating CIM, with intention to implement two to three years into the future. The reality is, sales cycles tend to be long, and successful production trials are not always followed by immediate client contracts.

    d) Having experienced the realities of long sales cycles we believe that these now contribute to our competitive moat, as OneSoft is far advanced over future competitive vendors if and as they attempt to develop and market CIM-competitive solutions, as they will need to face similar time delays. Although Management is not today aware of any such competing solutions that are based on machine learning and data science, the long development, validation and sales cycles that are necessary to successfully commercialize a CIM-type solution – from product vision, to software development, to beta use, to validation by early adopters, to industry acceptance – presents a significant time commitment and risk for potential competitors. The Company has successfully navigated through all of these stages, has addressed the risks associated with each of these steps, and is now well positioned with a significant competitive moat. Furthermore, our strong balance sheet provides comfort that we can withstand long sales cycles and ultimately win the business we require to grow the Company.

Cash and Revenue

- The following chart summarizes the revenues for the quarter ended June 30, 2020 ("**Q2 2020**") and some of the key financial revenue metrics followed by Management, with comparisons to prior periods. The quarterly revenue volatility between Q1 2020 and Q2 2020 was due to fewer ILI logs being ingested into CIM, as previously discussed.

- The Company reported a Comprehensive loss of $1,349,602 for the current quarter, compared to a Comprehensive loss of $836,211 for the comparable period in the prior year.

- Q2 2020 adjusted negative EBITDA was $1,049,006, compared to negative EBITDA of $550,297 for the comparable period in the prior year (EBITDA calculations are stated on page 15 of this document).

- As at June 30, 2020, cash and short-term investments totaled $9.5 million ($9.7 million at March 31, 2020 and $10.5 million at December 31, 2019) and working capital was $7.7 million ($8.6 million at March 31, 2020 and $8.2 million at December 31, 2019), and the Company had no debt.

- OneSoft tracks revenues in three categories and various buckets, as was described on pages 9-10 of the Company's Management Discussion and Analysis ("MD&A") for the fiscal year ended December 31, 2019.

    - Annual recurring revenue ("**ARR**") includes revenue from SaaS Subscription, ILI Log Ingestion, Microsoft Azure and Specialized Functionality Module fees associated with CIM.

- Other Revenue includes Production Trials (formerly referred to as Proof of Concept ("**POC**") projects, services and miscellaneous other project fees, which do not typically recur.

	Three months ended:		Six months ended:	
OneSoft SaaS Metrics	**Q2 2020**	**Q2 2019**	**Q2 2020**	**Q2 2019**
Revenue as reported in the Financial Statements	$ 619,470	$ 709,740	$ 2,294,956	$ 1,302,042
Revenue categorization:				
Annual Recurring Revenue ("ARR")	$ 586,827	$ 641,922	$ 2,203,093	$ 1,218,924
Other Revenue	$ 32,643	$ 67,818	$ 91,863	$ 83,118
Total Revenue	$ 619,470	$ 709,740	$ 2,294,956	$ 1,302,042
Direct Costs	$ 183,758	$ 176,650	$ 525,300	$ 256,514
Gross profit	$ 435,712	$ 533,090	$ 1,769,656	$ 1,045,528
Direct Costs as % of ARR and Other Revenue	30%	25%	23%	20%
Gross profit as % of ARR and Other Revenue	70%	75%	77%	80%
ARR as % of Total Revenue	95%	90%	96%	94%
ARR Growth (Qtr / Qtr, Year / Year)	-9%	174%	81%	21%

Operational Activities

- On April 16, 2020, OneBridge Solutions advised its Covid-19 response plan including restricting its business travel visiting current and prospective clients
- On July 13, 2020, OneBridge Solutions Inc. announced it has been named a finalist of the Application Innovation 2020 Microsoft Partner of the Year Award. The Company was honored to have been selected from 3,300 submitted nominations of Microsoft partners globally for demonstrating excellence in innovation and implementation of client solutions based on Microsoft technology.

Product Development

The Company continues to develop new functionality to address the data collected by other techniques and inspection methods used by pipeline operators to address regulatory compliance for both piggable and non-piggable pipelines. The first of these new functions are anticipated to be released for private preview use and feedback by the end of September, 2020. The development will include analyzing and aligning data sets arising from Close Interval Survey ("**CIS**"), Alternating Current Voltage Gradient ("**ACVG**") and Direct Current Voltage Gradient ("**DCVG**"), which all essentially search for breakdown of pipeline coatings around which corrosion may occur and which are key components used in Direct Assessment ("**DA**") methodologies. DA integrity methodologies are used for the majority of pipelines in the U.S.A., including pipelines for which ILI data is not captured. Pipelines act like batteries, dissipating electrical energy into the ground at areas where coatings, which acts to insulate the pipeline, have deteriorated. The identification of electrical activity indicates probable areas of corrosion which progress over time to threaten pipeline structural integrity.

This new functionality represents an opportunity advancement for the Company and CIM for several reasons:

- The new functionality will allow operators to automate the correlation of this data and ILI data by leveraging CIM, which will improve intelligence and decision-making capability for integrity management engineers.
- We anticipate that this new functionality will increase the number of CIM users, as personnel who address Direct Assessment functions will be able to use CIM in their daily work. We also believe that this new functionality will increase CIM utilization overall, as Direct Assessment data sets are typically collected annually or even more frequently in certain cases, whereas ILI data is typically collected on a 5- or 7-year cadence in accordance with regulatory guidelines. More frequent data collection enables more frequent analysis of correlated data sets and thereby improves intelligence for CIM users and the predictive analytics process overall.
- The core functionality of CIM aligns ILI data over multiple data sets, agnostic to tool vendor or technology. The addition of this new DA functionality serves as a foundational model to accommodate additional data sets in the future and expands the evolution of a pipe-centric database which we anticipate will foster increased daily use of CIM by more personnel within our clients' organizations. This all bodes well for the Company to continue to enhance our CIM platform and, accordingly, our competitive moat.

OneBridge Innovation Lab

- The OneBridge Innovation Lab ("**Lab**"), established in Q1 2020, commenced investigation of several projects in Q2 2020. The objective of the Lab is to seek and explore business development projects that can leverage the Company's technology and solutions to potentially increase total addressable markets ("**TAM**s") and revenues. Projects include research and development of prototype products, joint ventures with synergistic third-party clients, prospective clients, and other industry vendors. The Lab is structured to operate with a small team that works independently within the Company, with the intention of handing off successful prototype projects to the Company's core teams for commercialization, thereby allowing the Company's first mover advantage with machine learning and innovation to continue without disruption to core projects and business growth strategies that are currently underway.

- The Company is currently investigating several Lab projects including some which may become bolt-on applications to the CIM platform to serve additional markets within oil and gas, and some which could potentially leverage the Company's technology and solutions for the municipal water and sewer market, which is arguably more critical infrastructure and may perhaps involve a TAM similar to or greater than the oil and gas pipeline market. Preliminary research conducted to this point indicates that the CIM platform is potentially well-suited to adapt to this new market and investigation is ongoing.

- We anticipate that Lab projects will not require material cash resources, other than employee salaries, and some funding may potentially be contributed by third parties who participate in certain projects. Management continues to solicit and investigate new projects and is pleased with the interest that has already been generated.

Corporate Activities

- On April 22, 2020, the Company presented at the Planet Microcap Showcase 2020 conference, an on-line forum for microcap investors. During the quarter, Management also held numerous meetings with investors, potential investors, and followers of the Company.

- With respect to reporting during the quarter, on May 19, 2020 the Company published its MD&A and Financial Statements for the first quarter ended March 31, 2020, all of which are accessible on SEDAR. On May 20, 2020, the Company held its first virtual Annual General and Special Meeting of Shareholders ("**AGSM**"). The meeting was well-attended and all resolutions stated in the Management Information Circular were passed in the meeting, which included the re-election of Doug Thomson, Dwayne Kushniruk, Ron Odynski and Randy Keith as Directors of the Company for the ensuing year. Dwayne Kushniruk, CEO, provided an update on Fiscal 2019 and Q1 2020 operations at the AGSM, which presentation can be accessed on the Company's website at www.onesoft.ca or via this link.

- On May 20, 2020, following the AGSM, 800,000 stock options were granted to the Directors, Officers, and senior executives of the Company as part of their compensation plans. All options granted have a strike price of $0.50 per share, vest 50% on each of the grant and anniversary dates and will expire in five years if not exercised.

- On June 30, 2020, Dwayne Kushniruk presented the Company at a TSX Venture on-line event as part of their series entitled "C-Suite at the Open", which can be accessed here.

BUSINESS OUTLOOK

The extent of future potential business disruption due to Covid-19 and energy price volatility may continue until a vaccine and therapeutic treatment for Covid-19 become widely available in North America, which may not occur until 2021. While the current situation is disruptive to the process of signing new clients, Management does not view current affairs as overly threatening to the Company's longer-term business and outlook for success.

We believe that OneSoft is well-positioned to execute on its business plan, despite the disruptions. Although we anticipate that some of our prospective clients will continue to delay decisions to onboard our solutions because of Covid-19, volatile energy prices and other reasons, we continue to have confidence that we will ultimately gain them as clients. Most of our prospective clients have by now implemented procedures to work around remote employee issues and have embraced the use of on-line and video conferencing tools to conduct their business operations. Our own home-based employee and cloud-computing environments that we've used since 2015 have allowed us to continue to execute on our technology, sales and marketing and business development plans with no disruption, excepting the delays in signing new clients for various reasons that are beyond our control.

Whereas Q1 2020 was highly productive from a revenue recognition perspective, Q2 reflected lower revenue. Based on current information regarding loading of ILI logs into CIM for the balance of 2020, we anticipate that revenue in Q3 should improve and further increase in Q4, providing that ILI inspections conducted by our clients are not materially delayed due to Covid-19 disruptions. However, if such delays do occur, we anticipate that a catch-up of ILI runs will likely be done in the future, in order for clients to maintain compliance with their pipeline inspection schedules as required by prescriptive regulatory requirements mandated for U.S.A. pipeline operators. This could result in postponement of associated CIM revenues in the short term.

OneSoft had strong sales momentum going into the PPIM conference in mid-February 2020. Numerous sales projects with prospective clients and other initiatives involving exploration of potential collaborative projects and business development opportunities with third party service companies and other industry vendors were underway, prior to Covid-19 abruptly curbing this momentum commencing the last week of February. Our sales and business development activities started to revert to a "new normal" midway through Q2 2020, after prospective clients transitioned their business activities to on-line. Despite the current disruptions, we believe that transitions by companies globally to an on-line work environment, as forced by Covid-19, may be a catalyst for driving future opportunities for the Company because of new appreciation for cloud computing and digital strategies, with good probability that these efficiencies, which legacy technologies and practices lack, will be retained following the pandemic.

The delays in closing new CIM sales threatens Management's expectation to double revenue in 2020 over 2019, as was anticipated and stated in previous communiques, because of the time lags in contracting new clients and subsequent loading of ILI data logs that drives revenue recognition. At this point in time and based on our current sales pipeline, Management believes that the Company will sign new CIM clients in 2020 and commence to generate at least some of the revenue from new clients that was anticipated earlier in 2020. With respect to the OneBridge Innovation Lab, we are in process of researching several new business development initiatives that could increase TAM, and are pursuing strategies that Management believes will enhance the Company's future opportunities. Regarding corporate development, we will continue to improve Company awareness with the investment community and seek opportunities to increase value for shareholders.

Given the Company's strong balance sheet with $9.5 million of cash and short-term investments, no debt, FY 2020 cash burn rate in operations of approximately $661,000 per quarter, strong sales pipeline and potential Lab business development projects that are being progressed, we believe the Company is well-funded to pursue our business plans to navigate through the disruptions that are currently dominating, and emerge with great opportunities post Covid-19.

RESULTS OF OPERATIONS

SUMMARY OF QUARTERLY RESULTS

	FY 2020		Year ended December 31, 2019				FY 2018	
($ 000's, per Share in Dollars)	June 30	Mar 31	31-Dec	Sept 30	June 30	Mar 31	Dec 31**	Nov 30
Revenue	619	1,675	640	770	710	592	3,137	509
Gross profit	436	1,334	383	582	533	512	3,132	394
Expenses (net of software development costs capitalized)	1,415	1,226	1,356	1,071	992	1,183	602	1,135
Comprehensive (loss) income	(1,350)	11	(1,117)	(664)	(836)	(967)	2,529	(738)
Basic and diluted (loss) income per share:	(0.01)	-	(0.01)	(0.01)	(0.01)	(0.01)	0.03	(0.01)

** Represents results for month of December 31, 2018 only. The Company changed its year-end in in 2018 from February month-end to December 31, resulting in December being only one month in length. December 2018 revenue includes $3.0 million software development project completed December 2018.

Quarter ended June 30, 2020 compared to Quarter ended June 30, 2109

Revenue and Gross Profit

	June 30, 2020	June 30, 2019	Change	
	$	$	$	%
CIM Revenue	586,827	641,922	(55,095)	(8.6)
Other revenue	32,643	67,818	(35,174)	(51.9)
Total Revenue	**619,470**	**709,740**	**(90,269)**	(12.7)
Direct costs	183,758	176,650	7,108	4.0
Gross profit	**435,712**	**533,090**	**(97,378)**	**(18.3)**
Gross margin	70.3%	75.1%	(4.8%)	(6.4)

CIM revenue for Q2 2020 declined year-over-year by $55,095 or 8.6%. Within this revenue group, monthly subscription revenue increased $23,373 or 7% and invoicing of optional functionality modules increased by $13,972 or 418%. Revenue from the ingestion of new and historic ILI data logs during the quarter declined by $88,950 year over year, due to timing of loading of ILI data logs by clients. In Q2 2019, the implementation of a new client included the ingestion of all their pipeline data during the quarter, causing revenue to increase by $98,665, with no similar initial implementations completed in Q2 of 2020. In Q2 2020, the revenue from two clients declined due to a reduced number of new logs being loaded in the quarter as new personnel were being trained to use CIM. Other revenue declined as a Production Trial was concluded in Q2 2019 generating $33,443 and no Production Trials were concluded in Q2 2020, although there were several in various stages of progress.

Direct costs rose in the current quarter by $7,108 over Q2 of last year. Azure costs increased $29,736 due to cost momentum being built in Q1 2020 and these costs being relatively fixed on an individual customer basis in the short term and not declining during periods of lower usage. Software royalties paid to a third party increased $29,159 due to a change in calculation method since the comparative period. Staff labour costs associated with client support and CIM implementation decreased $54,220 as there were no new CIM implementations in the current period.

Gross margin decreased to 70.3% as compared to 75.1% in this period last year. The increase in direct costs and reduction in revenue caused the gross margin to decrease by 4.8% of revenue in the period. We anticipate it returning to more normal levels in future quarters.

Expenses:

	June 30, 2020	June 30, 2019	Change	
	$	$	$	%
Salaries and employee benefits	1,142,799	750,920	391,879	52.2
General and administration	162,209	187,793	(25,584)	(13.6)
Sales and marketing	110,477	101,414	9,063	8.9
	1,415,485	**1,040,127**	**375,358**	**36.1**
Software development costs capitalized	-	(47,636)	47,636	(100.0)
Operating expenses, net of costs capitalizec	**1,415,485**	**992,491**	**422,994**	**42.6**

Salaries and employee benefits expense increased $391,879 Q2 2020 versus Q2 2019. Compensation expense increased $273,366 in the current quarter due to increases in the number of Company employees, including the hiring of a senior sales executive and software development staff and salary increases for certain current employees granted last year. Recruiting expenses, including agency fees for new sales staff and advertising fees to identify and source software developers and data scientists for the Innovation Lab, totaled $42,300. Reduced CIM implementation services resulted in a lower allocation of staff salaries to direct costs, which increased expense by $54,220, and a higher number of subcontractors engaged in the current quarter for software development further increased expense by $23,160.

General and administrative expenses decreased in the current quarter. Microsoft Azure costs for internal software development reduced by $6,595. Franchise taxes paid in the USA reduced by $10,030 and annual fees paid to Securities Commissions reduced by $8,418 due to a number of these having been paid in Q1 2020 rather than in Q2 as occurred last year.

Sales and marketing expenses increased $9,063 quarter-over-quarter. The Company engaged a subcontractor to conduct sales lead generation which, together with related costs, increased expense by $32,686. An external marketing firm was engaged to lend expertise to and boost attendance at a Company-led marketing webinar featuring CIM which caused expense to increase by $20,951. The effect of the covid-19 pandemic resulted in several trade show exhibitions being cancelled and sales and other staff not being able to travel to visit current and prospective clients. Together, these two expense categories reduced by $43,404 as compared to Q2 2019.

No software development expenses qualified for capitalization in the current quarter as the Company’s software roadmap was more focused on incremental, non-capitalizable improvements in Q2 2020.

Other expense (income):

	June 30, 2020	June 30, 2019	Change	
	$	$	$	%
Stock based compensation	221,924	284,477	(62,553)	(22.0)
Amortization of intangible assets	99,893	94,412	5,481	5.8
Depreciation of property and equipment	3,402	5,336	(1,934)	(36.2)
Foreign exchange loss	69,233	91,076	(21,843)	(24.0)
Interest income	(29,624)	(27,534)	(2,090)	100.0
	364,828	**447,767**	**(82,939)**	**(18.5)**

Stock compensation expense decreased due to the reduced number of new grants in the current quarter and grants made in prior periods having completed their amortization.

The Canadian to U.S. foreign exchange rate decreased from 1.4187 on March 31, 2020 to 1.3628 on June 30, 2020. As the Company was holding approximately US $1.4 million in financial assets, foreign currency translation adjustments generated a foreign exchange loss of $69,233. In Q2 last year, the foreign exchange rate reduced from 1.3337 to 1.3087 and as the Company had a larger net U.S. dollar asset position, the expense was higher at $91,076.

Interest income was essentially the same in both quarters as the Company optimized its idle cash into interest bearing accounts to maximize interest income.

Comprehensive loss

In the current quarter, revenue and gross profit decreased by $90,269 and $97,378, respectively. The Company continues to invest in product development and business and revenue growth initiatives which caused its expenses to increase by $422,994 in the quarter. The reduction in revenue and gross profit and increase in expenses caused the comprehensive loss to increase to $1,349,602 from $836,211 in the comparable period last year.

Six months ended June 30, 2020 compared to six months ended June 30, 2019

Revenue and Gross Profit

	June 30, 2020	June 30, 2019	Change	
	$	$	$	%
CIM Revenue	2,203,093	1,218,802	984,291	80.8
Other revenue	91,863	83,240	8,623	10.4
Total Revenue	**2,294,956**	**1,302,042**	**992,914**	76.3
Direct costs	525,300	256,514	268,786	104.8
Gross profit	**1,769,656**	**1,045,528**	**724,128**	**69.3**
Gross margin	77.1%	80.3%	(3.2%)	(4.0)

CIM revenue has increased from last year primarily due to one large client contracting to use CIM in a multi-year contract starting in April 2019 and whose implementation resulted in a substantial number of their ILI assessments being ingested into CIM this year. Other clients decreased their CIM consumption in 2020 as comparted to 2019. No client production trials were completed in 2020 causing revenue to decrease by $48,864.

Direct costs rose in the current quarter. The higher client count and activity resulted in greater Azure usage raising expense by $75,620 and higher royalty costs paid to a third party whose software is embedded in a portion of the CIM solution increased by $99,367. Staff costs for providing client CIM implementation and data conversion services increased costs by $92,068.

Gross profit increased due to the increase in revenue. The gross margin declined primarily due to the proportionate increase in staff labour costs assisting clients with CIM implementation. Management believes these may abate in future implementations through the use of more automated processes.

Expenses:

	June 30, 2020	June 30, 2019	Change	
	$	$	$	%
Salaries and employee benefits	2,055,757	1,564,380	491,377	31.4
General and administration	336,813	361,523	(24,710)	(6.8)
Sales and marketing	249,167	297,090	(47,923)	(16.1)
	2,641,737	**2,222,993**	**418,744**	**18.8**
Software development costs capitalized	-	(47,636)	47,636	(100.0)
Operating expenses, net of costs capitalizec	**2,641,737**	**2,175,357**	**466,380**	**21.4**

New staff hires since last year of senior-level employees and selective wage increases caused salaries to rise by $424,516 and employee benefits to increase by $82,620 over the comparative period last year. Recruitment costs paid to agencies and for job advertisements increased expenses by $53,066 and fees paid to software development firms increased expense by $35,316. Offsetting these expense increases was the allocation of staff salaries into direct costs for CIM implementation which decreased expense by $93,426.

General and administrative expenses declined by $24,710 this year as compared to last year. Due to the Covid-19 pandemic, in-person staff meetings were curtailed in 2020, reducing expense by $38,988 as compared to 2019. Cost savings of $16,783 and $10,467 resulted from lower annual audit fees accruals and lower franchise and other taxes paid in the USA, respectively.

Offsetting these cost savings were higher internal Azure software usage fees ($5,638), higher annual fees paid to provincial securities regulators ($14,323) and increased premiums for the Company's insurance coverage ($6,584).

The Covid-19 pandemic reduced sales and marketing expenses. Many trade shows were cancelled, reducing expenses by $23,051 and travel expense to visit current and prospective clients reduced by $32,125, as compared with last year. In 2019, a final payment of $47,404 was made to a consulting firm engaged to assist with the Company's marketing strategies and this cost did not repeat in 2020. To accelerate lead-generation a contractor was engaged at a cost of $32,035 and other consultants were engaged to assist the Company with marketing, CIM webinars and increased on-line visibility ($14,870) and website enhancements ($9,077).

In the prior period, the expense of new functionality created in our CIM 3.0 product was recognized as deferred development costs. In the comparative quarter, no development costs qualified for capitalization.

Other expense (income)

	June 30, 2020	June 30, 2019	Change	
	$	$	$	%
Stock based compensation	387,070	436,832	(49,762)	(11.4)
Amortization of intangible assets	199,776	188,939	10,837	5.7
Depreciation of property and equipment	7,149	9,820	(2,671)	(27.2)
Foreign exchange (gain) loss	(73,554)	90,375	(163,929)	(181.4)
Interest income	(74,495)	(34,134)	(40,361)	118.2
	445,946	**691,832**	**(245,886)**	**(35.5)**

Stock compensation expense decreased due to a reduced number of new grants being made in the current year and grants made in prior periods having completed their amortization in prior quarters.

The Canadian to U.S. foreign exchange rate increased from 1.2988 on December 31, 2019 to 1.3628 on June 30, 2020. The increase in the foreign exchange rate created the gain on the net U.S. assets the Company holds.

In March 2019, the Company completed a financing raising $9.2 million before expenses and the net cash generated has been invested into interest-bearing accounts. The cash generated the increase in interest income this year.

Comprehensive loss

In the current period, the comprehensive loss was $1,338,993, a reduction from the comprehensive loss of $1,803,602 recorded at this time last year. The comprehensive loss reduced due to revenue and gross profit having increased by $992,914 and $724,128 respectively and other expenses (income) having reduced by $245,886. Salaries and employee benefits expense is higher year-to-date through Q2 2020 by $491,377 which partially offset those improvements. Management believes the continued investment of resources into additional staff will be beneficial to increasing revenue, gross profit, and cash flow in future periods.

FINANCIAL CONDITION & LIQUIDITY

	June 30, 2020	June 30, 2019	Change	
	$	$	$	%
Net loss	(1,318,027)	(1,821,661)	503,634	(27.6)
Items not involving cash	593,995	635,591	(41,596)	(6.5)
Funds used in operations	(724,032)	(1,186,070)	462,038	(39.0)
Working capital changes	(597,264)	3,042,528	(3,639,792)	(119.6)
Cash (used) provided by operating activities	(1,321,296)	1,856,458	(3,177,754)	(171.2)
Cash flow provided by financing activities	220,700	8,345,685	(8,124,985)	(97.4)
Cash flow used in investing activities	(9,767)	(58,283)	48,516	(83.2)
Effect of foreign exchange rate fluctuation in OneSoft U.S. operation	66,957	(15,489)	82,446	(532.3)
Net change in cash	(1,043,406)	10,128,371	(11,171,777)	(110.3)
Cash, beginning of period	10,512,039	2,015,428	8,496,611	421.6
Cash, end of period	**9,468,633**	**12,143,799**	**(2,675,166)**	**(22.0)**

The Company continues to incur a significant amount of non-cash expenses in the form of depreciation, amortization, and stock-based compensation expense. These expenses comprised 45% of the net loss year-to-date through Q2 2020 and 34.8% of the year-to-date loss in Q2 2019. After adding back these expenses, Operations consumed cash of $724,032 through the end of Q2 2020, a reduction of $462,038 from the cash usage of $1,186,070 year-to-date through Q2 2019. The reduction in Operations cash consumption was primarily due to the increased revenue and gross margin in the current year. Working capital changes absorbed $597,264 year-to-date through Q2 2020 due to additional investment of $74,430 being made into accounts receivable, $314,274 consumed reducing accounts payable and accruals and $184,063 consumed in reducing deferred revenue. Regarding deferred revenue, it increased with client prepayments of $1,724,583 for new SaaS contracts and decreased by $1,821,027 earned in revenue. Management views deferred revenue as a source of short-term financing and seeks to continually increase it similarly to other SaaS companies. In total, operating activities consumed $1,321,296 cash in 2020 and generated $1,856,458 cash in 2019.

In 2020, employees and directors exercised 2,015,000 stock options for an equal number of OneSoft common shares generating $220,700. In 2019, the closing of a new financing, less associated costs, provided $8,345,685 cash.

New computer equipment consumed $9,767 cash in 2020 while in 2019 new equipment and software development costs required investment of $58,283.

Year-to-date 2020, the Company has consumed $1,043,406 in cash versus cash generation of $10,128,371 at this time last year. The Company anticipates substantial further cash injection into working capital will not be required this year provided the Company converts its sales leads to closed sales and clients that have tentatively stated they will implement CIM in 2020 prepay their contracts as anticipated. Due to this, and contemplating the Company's current cash balances, management believes the Company has sufficient cash to continue development of its software solutions, finance operations, pursue growth initiatives and increase Company and shareholder value in accordance with its business plan and objectives.

Total Assets

Total assets of the Company as at June 30, 2020 were $10,806,231 a decrease of $1,137,872 from assets of $11,944,103 as at December 31, 2019. Cash and short-term investments decreased $1,043,406 due to cash being used to finance operations. Accounts receivable increased by $76,275 as invoices for 2020 CIM usage were late paid in July 2020. Prepaid expense increased by $25,989 as certain insurance and other fees were paid and are being amortized over their benefit period. The carrying value of the Company's intangible assets and equipment decreased by $206,925 due to amortization.

Total Liabilities

Total liabilities decreased from $2,407,526 as at December 31, 2019 to $2,000,877 as at June 30, 2020. Deferred revenue increased by $1,724,583 due to 2020 contracts for CIM usage being paid and it decreased $1,821,027 as deferred revenue converted to current period revenue. Accounts payable and accrued liabilities decreased $303,703

Commitment

The Company is committed to pay minimum royalties of US$2.25 million through December 20, 2027 on the revenue earned from components of its CIM 3.0 solution for the use of certain embedded third-party intellectual property. To June 30, 2020, royalties of US $203,036 have been expensed and US $177,834 has been paid.

Related party transactions

In the period, the Company expensed $100,000 (June 30, 2019 - $100,000) in respect of contractual management fees paid to a company owned by Dwayne Kushniruk, CEO. No other compensation was paid directly to him. On June 30, 2020, $10,250 (December 31, 2019 - $167,945) was due to related parties for director and officer fees not paid at the end of the period. The December 31, 2019 value included variable compensation incentives.

SHARE DATA

As at July 31, 2020, the Company had outstanding:

- 114,980,813 common shares,
- 9,205,001 stock options with an average strike price of $0.39 and an average remaining life of 2.44 years. Of these, 7,430,005 are exercisable at an average strike price of $0.36.

In the period January 1, 2020 to July 31, 2020, directors, officers, and employees exercised 2,040,000 stock options with strike prices of $0.10 to $0.16 and expiry dates between January 30, 2020 and July 31, 2020 to acquire the same number of common shares. Cash proceeds were $223,450. 100,000 stock options were cancelled prior to completion of the related vesting period.

On April 25, 2020, 600,000 share purchase warrants with an average strike price of $1.00 expired without exercise.

RISKS AND UNCERTAINTIES

Covid-19 World Pandemic

The ongoing Covid-19 global pandemic, and actions taken by governmental authorities in response thereto has resulted in volatility in financial and commodity markets; an overall slowdown in the global economy; disruptions to global supply chains; reductions in trade volumes; temporary operational restrictions including restrictions on gatherings of individuals, business closures and travel bans. The global pandemic could cause interruptions in and to the Company's clients. The full extent and impact of the Covid-19 pandemic is unknown at this time and the degree to which it may impact our business operations and financial results will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence, including: the duration, severity and geographic spread of the Covid-19 virus; further actions that may be taken by governmental authorities, including in respect of travel restrictions and business disruptions; the effectiveness of actions taken to contain and treat the virus; and how quickly and to what extent normal economic and operating conditions can resume. While to date there has been no material impact on the Company's operations, other than delays in completing sales to new clients, Management continues to assess the situation for adverse effects on its financial position (including possible impairment of the values ascribed to its intangible assets and goodwill), results of operations and cash flows.

Energy Price Volatility

Along with Covid-19, the decline in energy prices that occurred in early 2020 have negatively impacted the Company's current and prospective clients, many of which have experienced significant decreases in their market capitalizations. Although the Company's current and prospective clients are primarily midstream pipeline operators whose revenue is not necessarily dependent on energy prices, they may choose to respond to the economic challenges by reducing operating expenses through requests for price reductions from suppliers and curtailment or postponement of new technology adoption, including the Company's solutions and services. This may cause challenges for the Company to grow the number of clients or sustain its revenues, which risks could increase if energy prices continue to be depressed.

Other Risks and Uncertainties

OneSoft is subject to business and economic risks. The reader is directed to page 19 of the Management's Discussion and Analysis for the year ended December 31, 2019 for a full description of the risks and uncertainties the Company is subject to.

FINANCIAL INSTRUMENTS

Financial instruments

Categories of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	June 30, 2020 $	December 31, 2019 $
Financial assets		
Cash and short term investments	9,468,633	10,512,039
Trade and other receivables	129,224	52,949
	9,597,857	10,564,988
Financial liabilities		
Accounts payable and accrued liabilities	463,944	767,647

Measurement of fair value

Due to their short-term nature, and liquidity of the Company's financial instruments, fair value approximates their carrying value.

Financial instrument risks

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates on an international basis and is subject to foreign exchange risk exposures arising from transactions denominated in foreign currencies. The Company's objective with respect to foreign exchange rate risk is to minimize the impact of the volatility related to financial assets and liabilities denominated in a foreign currency through effective cash flow management. The majority of the Company's revenue, and a large portion of its expenses, are transacted in US dollars.

The Company has a natural hedge to foreign exchange risk as the majority of its revenue and expenses are being transacted in foreign currency and the uncertainty of timing between collections and disbursements is managed by its ability to maintain cash balances in the currency and country of the Company's choice.

The Company had the following monetary assets and liabilities denominated in US dollars included in its financial statements.

	June 30, 2020 $ (USD)	December 31, 2019 $ (USD)
Cash and short term investments	2,237,960	2,066,758
Trade and other receivables	90,218	30,967
Accounts payable and accrued liabilities	(175,643)	(165,421)
Total exposure	2,152,535	1,932,304

The following illustrates the sensitivity of profit and equity regarding the Company's financial assets and financial liabilities and the USD/CDN exchange rate.

It assumes a +/- 10% change of the $/USD exchange rate for the six months ended June 30, 2020 (year ended December 31, 2019 - 10%). This percentage was determined based on the average market volatility in the exchange rate in each reporting period. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and considers forward exchange contracts that offset effects from changes in currency exchange rates.

Strengthening or weakening of the Canadian dollar against the USD by 10% (December 31, 2019 - 10%) would have had the following applicable positive or negative impact on net (loss) income:

	Profit $	Equity $
June 30, 2020	36,984	36,984
December 31, 2019	8,115	8,115

Exposures to foreign exchange rates vary during the year depending on the volume of international transactions. The analysis above is considered to be representative of the Company's exposure to currency risk.

Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's objective in managing interest rate risk is to monitor expected volatility in interest rates while also minimizing the Company's financing expense levels. Interest rate risk arises from fluctuations in interest rates and the related impact on the return earned on cash and cash equivalents. On an ongoing basis, management monitors changes in short term interest rates and considers longer term forecasts to assess the potential cash flow impact to the Company. The Company holds financial instruments which exposes it to interest rate risk. No financial instruments are held to mitigate that risk.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (December 31, 2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. As of June 30, 2020, approximately 98.1% (December 31, 2019 – 92.8%) of the Company's cash balances were held in interest bearing bank balances and fixed interest rate GICs.

	Profit $	Equity $
June 30, 2020	68,675	68,675
December 31, 2019	73,257	73,257

Credit risk analysis

Credit risk is the risk that a counterpart fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	June 30, 2020 $	December 31, 2019 $
Classes of financial assets - carrying amounts:		
Cash and cash equivalents	9,468,633	6,965,916
Short-term investments	-	3,546,123
Trade and other receivables	129,224	52,949
Carrying amount	9,597,857	10,564,988

The Company continuously monitors defaults of clients and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company mitigates its credit risk by invoicing with short credit terms and actively collecting its accounts receivable. The Company is exposed to credit risk through its cash. The Company manages the credit risk associated with its cash by holding its funds with reputable financial institutions. Company policy forbids investment of cash and cash equivalents into any financial instrument where the principal may be at risk.

Client accounts are closely monitored for the amount and age of balances outstanding. Due to its credit practices, the Company has recorded nominal bad debt expense over the last five years. The Company's clients primarily consist of very large pipeline operating companies who are considered to be of very good credit quality.

The Company's management considers its financial assets to be of very good credit quality and records an estimate of credit loss for any portion considered impaired.

The aging of accounts receivable was:

			June 30, 2020
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
	$		$
Current	117,010	-	117,010
Past due 30 to 90 days	12,214	-	12,214
Total	129,224	-	129,224

			December 31, 2019
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
	$		$
Current	35,481	-	35,481
Past due 30 to 60 days	17,468	-	17,468
Total	52,949	-	52,949

The Company reviews its trade receivables accounts regularly and an estimate of credit loss is recorded to reduce the accounts receivable to their expected realizable value when the account is determined not to be fully collectable. It is management's view that amounts outstanding from clients have no risk of not being collected.

Liquidity risk analysis

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages this risk by regularly evaluating its liquid resources to fund its current and long-term obligations in a cost-effective manner.

The Company's exposure to liquidity risk is mitigated through its continued ability to sell subscriptions to use its software and services and the prompt collection of accounts receivable. The Company controls its liquidity risk by managing its cash and cash flows.

The Company's financial liabilities are short-term in nature and payment is due within one year. Financial liabilities outstanding were June 30, 2020 - $463.944 (December 31, 2019 - $767,647).

The Company considers cash flows from financial assets of $9,597,857 (December 31, 2019 - $10,564,988) in assessing and managing liquidity risk. The Company's existing cash resources and trade receivables exceed its current cash outflow requirements. Cash flows from trade and other receivables are contractually due within two months.

- **Post reporting date event**

On July 27, 2020, OBS CA filed a Statement of Claim (the "Lawsuit") against Cylo Technologies Incorporated ("Cylo") and its principals. Under a Software License Agreement ("SLA") signed October 24, 2014, Cylo is a licensee of intellectual property owned by OneBridge Solutions Canada Inc. ("**OBS CA"**) The Lawsuit alleges multiple breaches of the SLA including interfering with OneBridge's rights of ownership of its intellectual property, non-payment of royalties and unspecified commercial damages. The Company is seeking compensation for the business damages, payment of the unpaid royalties and injunctions restricting the principals of Cylo from competing with OBS CA. Management believes it is prudent for the Company to continue to vigorously protect value for shareholders by protecting all its intellectual property and contractual rights pertaining thereto, including all legacy and current technologies.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

When preparing the consolidated financial statements, management makes estimates and assumptions about the measurement of assets, liabilities, income, and expenses. Actual results could differ from the estimates and assumptions made by management and the differences between estimates and actual results may be material.

Revenue and deferred revenue

Revenue is recognized when the revenue recognition criteria expressed in its accounting policy for Revenue Recognition have been met. Judgment may be required when allocating revenue or discounts on sales amongst the various elements in a sale involving multiple deliverables.

Determination of functional currency

The determination of functional currency is a matter of determining the primary economic environment in which an entity operates. IAS 21 "The Effect of Changes in Foreign Exchange Rates" sets out several factors to apply in making the determination of the functional currency; however, applying the factors in IAS 21 does not always result in a clear indication of functional currency. When IAS 21 factors indicate differing functional currencies within an entity, management uses judgment in the ultimate determination of that subsidiary's functional currency.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date and estimates the expected future utility of the assets to the Company. Actual results may vary due to technical obsolescence, particularly for computer equipment.

Stock based compensation

The amount recognized for stock-based compensation is an estimated expense based on the Company's stock price, expected volatility, expected life, and weighted average fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the consideration transferred, measured at the acquisition date at fair value. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date. Acquisition costs incurred are expensed in the period in which they are incurred except for costs related to shares issued in conjunction with the business combination which are recorded as a deduction from share capital.

Goodwill is initially measured at the excess of the fair value of consideration transferred less the fair value of the net identifiable assets acquired and liabilities assumed. If this amount is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in the Consolidated Comprehensive Statement of Income (Loss). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but is subject to an annual impairment test. Goodwill impairment is evaluated annually or more frequently, if events or changes in circumstances indicate that the asset might be impaired.

CHANGES IN ACCOUNTING POLICIES

No new Standards issued were issued and adopted by the Company in the current period:

MEASURES NOT IN ACCORDANCE WITH IFRS

The term Adjusted EBITDA does not have a standardized meaning under IFRS and therefore is unlikely to be comparable to similar measures presented by other companies. EBITDA represents earnings before interest, taxes, depreciation, and amortization. OneSoft Solutions includes stock-based compensation and impairment charges as an adjustment to earnings in this measure and therefore refers to the measure as Adjusted EBITDA. Adjusted EBITDA is used by OneSoft as an indirect measure for operating performance, and has targeted certain levels for it, as it is considered to be a significant factor in the success of this business. The following is a reconciliation of Adjusted EBITDA to net income (loss) for each of the annual periods presented in this MD&A.

	Three month ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	$	$	$	$
Net loss	(1,344,601)	(907,168)	(1,318,027)	(1,821,661)
Add (subtract):				
Depreciation and amortization	103,295	99,748	206,925	198,759
Stock based compensation	221,924	284,477	387,070	436,832
Interest income	(29,624)	(27,534)	(74,495)	(34,134)
Adjusted EBITDA	(1,049,006)	(550,477)	(798,527)	(1,220,204)

ADVISORY REGARDING FORWARD LOOKING INFORMATION

This MD&A, the unaudited interim consolidated Financial Statements for the three and six months ended June 30, 2020, the audited consolidated Financial Statements for the year ended December 31, 2019 and the audited consolidated Financial Statements for the year ended December 31, 2018 (the "2020 Reporting Documents") contain historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results, performance or achievements of the Company. Statements made regarding potential future developments, and anticipated financial results, performance or achievements of the Company are forward-looking statements and are presented to provide guidance to the reader but their accuracy depends on assumptions and are subject to various known and unknown risks and uncertainties. Forward-looking statements are included under the headings: "Highlights of the Three and Six Months ended June 30, 2020", "Outlook", "Subsequent to Period-End", "Financial Condition and Liquidity", "Post-Reporting Date Event" and "Risks and Uncertainties" and in other sections of this MD&A. When used in the MD&A, such statements may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward looking information in the 2020 Reporting Documents includes, without limitation, statements regarding funding requirements. These statements are based on management's current expectations regarding future events and operating performance, are based on information currently available to management, speak only as of the date of the 2020 Reporting Documents and are subject to risks which are described on page 11 of this MD&A and in the Company's public filings on the Canadian Securities Administrators' website at www.sedar.com ("**SEDAR**") and as updated from time to time, and would include, but are not limited to the effects of the Covid-19 world pandemic and related effects on the North American global economy which may transit to OneSoft Solutions, dependence on market economic conditions, the efficacy of the Company's software products, sales and margin risk, acquisition and integration risks, competition, information system risks, risks associated with the introduction of new products, product design risk, environmental risks, customer and vendor risks, credit risks, currency risks, tax risks, risks of legislative changes, risks relating to remote operations, key executive risk and litigation risks. In addition, there are numerous risks associated with an investment in the Company's common shares, which are also further described in the "Risks and Uncertainties" section in this MD&A, and as updated from time to time, the Company's other public filings on SEDAR. These risks and uncertainties may cause actual results to differ materially from those contained in the statements. Such statements reflect management's current views and are based on certain assumptions. Some of the key assumptions include but are not limited to: assumptions regarding the performance of the Canadian and the United States economies; interest rates; exchange rates; capital availability; the amount of the Company's cash flow from operations; tax laws; laws and regulations relating to the protection of the environment; and capital spending requirements or planning in respect thereto, including but not limited to the performance of any such business and its operation. They are, by necessity, only estimates of future developments and actual developments may differ materially from these statements due to known and unknown factors. Investors are cautioned not to place undue reliance on these forward-looking statements. All forward-looking information in the 2020 Reporting Documents is qualified by these cautionary statements. Although the forward-looking information contained these 2020 Reporting Documents is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in the 2020 Reporting Documents may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than these 2020 Reporting Documents.

The forward-looking statements contained in the 2020 Reporting Documents are made as of the date of this report and should not be relied upon as representing management's views as of any date after the date of this report. Except as required by applicable law, the Company undertakes no obligation to publicly update or otherwise revise any forward-looking statement, whether because of new information, future events, or otherwise.