



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of OneSoft Solutions Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor

OneSoft Solutions Inc.
Condensed Interim Consolidated Statements of Financial Position

	Notes	March 31, 2020 (unaudited) \$	December 31, 2019 (audited) \$
Assets			
Current assets			
Cash and cash equivalents	3	7,891,437	6,965,916
Short term investments	4	1,783,488	3,546,123
Trade and other receivables		588,862	52,949
Prepaid expenses and deposits		113,896	63,523
Current assets		10,377,683	10,628,511
Non-current assets			
Property and equipment		19,964	18,645
Intangible assets		1,041,553	1,141,254
Goodwill		155,693	155,693
Total assets		11,594,893	11,944,103
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		853,107	767,647
Deferred revenue	5	930,754	1,639,879
Total liabilities		1,783,861	2,407,526
Shareholders' equity			
Share capital	6	17,812,725	17,646,248
Warrants		135,780	135,780
Contributed surplus	6	1,877,260	1,779,891
Deficit		(10,019,419)	(10,045,993)
Accumulated other comprehensive income		4,686	20,651
Total equity		9,811,032	9,536,577
Total liabilities and equity		11,594,893	11,944,103
Post-reporting date events	9		

Signed "Dwayne Kushniruk", Director

Signed "Doug Thomson", Chair

OneSoft Solutions Inc.
Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
For the three months ended March 31, 2020 and 2019 (unaudited)

	Notes	March 31, 2020	March 31, 2019
		\$	\$
Revenue		1,675,486	592,302
Direct costs		341,542	79,865
Gross profit		1,333,944	512,437
Operating expenses			
Salaries and employee benefits		912,957	813,459
Sales and marketing		138,691	195,677
General and administration		174,604	173,730
Operating expenses		1,226,252	1,182,866
Operating Income (loss)		107,692	(670,429)
Other expense (income)			
Stock based compensation		165,146	152,355
Amortization of intangible assets		99,883	94,527
Depreciation of property and equipment		3,746	4,483
Interest income		(44,871)	(6,601)
Foreign exchange gain		(142,786)	(700)
		81,118	244,064
Income (loss) before income taxes		26,574	(914,493)
Income tax expense		-	-
Net income (loss)		26,574	(914,493)
Other comprehensive loss			
Loss on translation of foreign operations net of income tax		(15,965)	(52,898)
Comprehensive income (loss)		10,609	(967,391)
Net Income (loss) per share			
Basic		-	(0.01)
Diluted		-	(0.01)
Weighted average number of shares			
Basic		113,110,813	101,024,701
Diluted		116,928,053	101,024,701

OneSoft Solutions Inc.
Condensed Interim Consolidated Statements of Cash flows
For the three months ended March 31, 2020 and 2019 (unaudited)

		Common Shares	Share Capital	Warrants		Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Note	#	\$	#	\$	\$	\$	\$	\$
Balance, December 31, 2018		101,024,147	9,269,768	-	-	1,191,051	(6,440,063)	-	4,020,756
Issue of:									
Common shares		11,500,000	9,200,000	-	-	-	-	-	9,200,000
Share issuance costs		-	(973,891)	600,000	135,780	-	-	-	(838,111)
Exercise of stock options		416,666	150,371	-	-	(74,371)	-	-	76,000
Stock-based compensation		-	-	-	-	663,211	-	-	663,211
Net loss		-	-	-	-	-	(3,605,930)	-	(3,605,930)
Foreign exchange gain on translation of foreign operations		-	-	-	-	-	-	20,651	20,651
Balance, December 31, 2019		112,940,813	17,646,248	600,000	135,780	1,779,891	(10,045,993)	20,651	9,536,577
Exercise of stock options	6	870,000	166,477	-	-	(67,777)	-	-	98,700
Stock-based compensation	6	-	-	-	-	165,146	-	-	165,146
Net income		-	-	-	-	-	26,574	-	26,574
Foreign exchange loss on translation of foreign operations		-	-	-	-	-	-	(15,965)	(15,965)
Balance, March 31, 2020		113,810,813	17,812,725	600,000	135,780	1,877,260	(10,019,419)	4,686	9,811,032

See accompanying notes to the condensed interim consolidated financial statements

OneSoft Solutions Inc.
Condensed Interim Consolidated Statements of Cash flows
For the three months ended March 31, 2020 and 2019 (unaudited)

	Notes	March 31, 2020 \$	March 31, 2019 \$
Operating activities			
Net Income (loss)		26,574	(967,391)
Items not involving cash:			
Stock-based compensation		165,146	152,355
Amortization of intangible assets		99,883	94,527
Depreciation of property and equipment		3,746	4,484
Cash flow from (to) operations		268,775	(716,025)
Cash flow from (to) working capital accounts:			
Trade and other receivables		(504,760)	1,648,915
Prepaid expenses and deposits		(46,456)	(24,855)
Accounts payable and accrued liabilities		63,640	(121,786)
Deferred revenue		(815,748)	(151,163)
Total changes in working capital accounts		(1,303,324)	1,351,111
Cash flow (used) provided by operating activities		(1,007,975)	635,086
Financing activities			
Share issue costs		-	(8,503)
Exercise of stock options		98,700	-
Cash flow provided (used) by financing activities		98,700	(8,503)
Investing activities			
Purchase of equipment		(4,467)	(7,004)
Cash flow used in investing activities		(4,467)	(7,004)
Effect of foreign exchange rate fluctuation on cash and cash equivalents		76,628	-
Net change in cash and cash equivalents		(837,114)	619,579
Cash and short-term investments, beginning of period		10,512,039	2,015,428
Cash and short-term investments, end of period		9,674,925	2,635,007
Reconciliation of cash and short-term investments			
Cash and cash equivalents		7,891,437	2,635,007
Short-term investments		1,783,488	-
Total cash and short-term investments		9,674,925	2,635,007
Supplementary cash flow information			
Interest received		71,884	-

OneSoft Solutions Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2020 and 2019 (unaudited)

1.0 Corporate information

OneSoft Solutions Inc. (the “Company”) is a public company incorporated in Alberta and its common shares are traded on the TSX Venture Exchange under the symbol “OSS” and on the OTCQB market in the USA under “OSSIF”. It has its corporate office at Suite 4217, 10230 Jasper Avenue, Edmonton, Alberta, Canada T5J 4P6. The Company conducts its operations through its wholly owned and controlled subsidiaries, OneBridge Solutions Canada Inc. (“OBS”) and OneBridge Solutions Inc. (“OBS USA”). The Company also owns OneCloudCo Limited (“OCC”).

On January 1, 2020, OneBridge Solutions Inc. (“OBS”) and CloudCo Solutions Inc. (“CCS”) were combined through statutory amalgamation to create a new company is Onebridge Solutions Canada Inc. OBS was incorporated in Alberta on June 16, 2015. It provides software services to the oil and gas pipeline industry consisting of cognitive software solutions incorporating machine learning, predictive analytics and other data sciences techniques. CCS was incorporated in Alberta, Canada on July 15, 2014 and provided software development services to OCC. It was inactive on the amalgamation date. .

On January 1, 2020, ownership of OBS USA was changed to OneCloudCo Limited from OneSoft Solutions Inc. The name of OneBridge Solutions, Inc. was revised to OneBridge Solutions Inc.

OBS USA was incorporated in the State of Delaware, USA on November 19, 2015. It provides software development services to OBS and performs sales and marketing activities for OBS software in the USA.

OCC was incorporated in the State of Delaware, USA, on July 18, 2014. OCC discontinued providing software solutions to clients in July 2016. It has no active operations.

2.0 Basis of presentation

These unaudited condensed interim consolidated financial statements:

- are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". They do not contain all the necessary annual disclosures in accordance with International Financial Reporting Standards (“IFRS”) and accordingly should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2019.
- in all material respects, follow the same accounting policies and method of application as the annual audited consolidated financial statements of the preceding fiscal year.
- are reported in Canadian dollars, the functional currency of the reporting entity, OneSoft Solutions Inc.
- were authorized for issue by the Board of Directors on May 15, 2020.

3.0 Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	March 31, 2020	December 31, 2019
	\$	\$
Cash at bank:		
Short-term deposits (USD)	225,871	271,317
Short-term deposits (CDN)	318,253	229,716
Interest-bearing deposits	686,863	850,499
Interest bearing investments (CDN)	4,990,199	3,991,649
Interest bearing investments (USD)	1,656,119	1,609,799
Restricted cash (USD)	14,132	12,936
Cash and cash equivalents	<u>7,891,437</u>	<u>6,965,916</u>

The restricted cash is a security deposit for issuance of credit cards to the Company.

OneSoft Solutions Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2020 and 2019 (unaudited)

4.0 Short term investments

Short term investments consist of interest-bearing deposits with financial institutions with an original term of six months to one year.

	March 31, 2020	December 31, 2019
	\$	\$
Guaranteed investment certificates, maturing May 6, 2020 to June 4, 2020, interest 2.09% to 2.40%	1,783,488	3,546,123
	<u>1,783,488</u>	<u>3,546,123</u>

5.0 Deferred revenue

	Three months ended March 31, 2020	Year ended December 31, 2019
	\$	\$
Balance, start of period	1,639,879	703,056
New contracts	739,737	2,343,847
Applied or amortized	(1,465,005)	(1,347,776)
Foreign exchange adjustment	16,143	(59,248)
Balance, end of period	<u>930,754</u>	<u>1,639,879</u>

The deferred revenue represents prepayments for the right to access the Company's software in future periods and to migrate a client's software from an on-premise application to the Microsoft cloud.

6.0 Stock-based compensation, options exercised and changes in Stock Option Plan

On May 22, 2019, the Company approved an "evergreen" stock option plan which allows the grant of stock options equal to 10% of the issued and outstanding common shares of the Company provided the plan is approved annually at the general meeting of the shareholders. Stock options have been issued to directors, employees and consultants with vesting periods of immediate to three years and terms of 5 years at prices reflective of the trading price of the Company shares on the TSX Venture Exchange at time of grant. On March 31, 2020, the maximum number of stock options that may be granted was 11,381,081 (December 31, 2019 – 11,294,081). The number of options available under the Plan for granting purposes as at March 31, 2020 was 2,081,080 (December 31, 2019 – 1,124,080).

	March 31, 2020		December 31, 2019	
	Number of share options #	Weighted average exercise price \$	Number of share options #	Weighted average exercise price \$
Outstanding, start of period	10,170,001	0.32	9,186,667	0.25
Granted	-	-	1,400,000	0.76
Exercised	(870,000)	0.11	(416,666)	0.18
Outstanding, end of period	<u>9,300,001</u>	<u>0.34</u>	<u>10,170,001</u>	<u>0.32</u>
Options exercisable, end of period	<u>7,600,007</u>	<u>0.28</u>	<u>8,070,007</u>	<u>0.26</u>

OneSoft Solutions Inc.

**Notes to the Condensed Interim Consolidated Financial Statements
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As at	Options Outstanding				Options Exercisable	
	Exercise price \$	Outstanding number of share options #	Weighted average exercise price \$	Weighted average remaining contractual life in years #	Stock option #	Weighted average exercise price \$
March 31, 2020	0.10 – 0.14	1,070,000	0.10	0.12	1,070,000	0.10
	0.15 – 0.20	2,333,334	0.18	1.15	2,333,334	0.18
	0.21 - 0.27	1,896,667	0.23	1.86	1,813,336	0.23
	0.28 – 0.48	1,800,000	0.43	2.76	1,766,667	0.43
	0.49 – 0.92	2,200,000	0.66	3.71	616,670	0.70
March 31, 2020		9,300,001	0.34	2.09	7,600,007	0.28
December 31, 2019	0.10 – 0.14	1,870,000	0.10	0.40	1,870,000	0.10
	0.15 – 0.20	2,333,334	0.18	1.40	2,333,334	0.18
	0.21 - 0.27	1,966,667	0.23	2.10	1,883,336	0.23
	0.28 – 0.48	1,800,000	0.43	3.01	1,416,667	0.44
	0.49 – 0.92	2,200,000	0.66	3.96	566,670	0.72
December 31, 2019		10,170,001	0.32	2.19	8,070,007	0.26

Compensation expense in respect of stock options for the three months ended March 31, 2020 was \$165,146 (March 31, 2019 - \$152,355).

7.0 Segmented reporting

Operating segments are identified based on internal reports regularly reviewed by the Company's chief operating decision maker, the Chief Executive Officer. The Company has a single reporting segment which is the sale of monthly subscriptions of cloud based software and services primarily related to pipeline asset management.

The Company's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

Segments	Revenue	
	March 31, 2020 \$	March 31, 2019 \$
Primary geographical markets		
U.S.A.	1,675,486	592,302
	<u>1,675,486</u>	<u>592,302</u>
Major services:		
Subscriptions to use software	1,675,486	592,302
	<u>1,675,486</u>	<u>592,302</u>
Timing of revenue recognition		
Services transferred at a point in time	1,150,064	576,880
Services transferred over contract term	525,422	15,422
	<u>1,675,486</u>	<u>592,302</u>

The Company earned revenue from customers who comprised greater than 10% of its revenue. During the three months ended March 31, 2020 and 2019, revenue earned from customer A was \$ 261,314 (March 31, 2019 - \$255.129) and customer B was \$1, 211,043 (March 31, 2019 - \$nil).

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The Company's non-current assets, other than financial instruments and deferred tax assets, are divided into the following geographical areas:

As at	March 31, 2020	December 31, 2019
Canada		
Property and equipment	\$ 12,950	\$ 12,074
Intangible assets	1,039,533	1,139,101
Goodwill	155,693	155,693
Total Canada	1,208,176	1,306,868
United States		
Property and equipment	7,014	6,571
Intangible assets	2,020	2,153
Total United States	9,034	8,724

8.0 Related party transactions

The Company's related parties are its Board of Directors and its key management personnel who are the Chief Executive Officer, Chief Financial Officer, Secretary and Presidents. A member of the Board of Directors, and the Secretary are partners in legal firms. Transactions conducted with the related parties are on normal commercial terms.

Key management and Board remuneration consisted of the following:

For the three months ended	March 31, 2020	March 31, 2019
Salaries, benefits, management fees and directors' fees	\$ 239,677	\$ 236,438
Stock based compensation	40,282	23,747
	\$ 279,959	\$ 260,185

Stock based compensation is the expense recognized in the consolidated Statements of Comprehensive Income relating to the identified key management and directors. Included in accounts payable and accrued liabilities is \$167,670 (December 31, 2019 – \$167,945) due to key management personnel.

9.0 Post-reporting date events

On April 25, 2020, 600,000 warrants exercisable at \$1.00 per share for 600,000 common shares expired without exercise.

In April 2020, directors and employees exercised 1,095,000 stock options with strike prices of \$0.10 to \$0.16 and expiry dates of April 26, 2020 to July 28, 2020 to acquire the same number of common shares. Cash proceeds were \$116,500.

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 and restrictions on gatherings of individuals, business closures and travel bans. The global pandemic could cause interruptions in and to the Company's customers. The current decline in energy prices have significantly impacted the demand for petroleum products and related transportation services and exposes our customers to risk of a decline in transportation revenue. 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 the virus and treat the disease; and how quickly and to what extent normal economic and operating conditions can resume. While to date

OneSoft Solutions Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2020 and 2019 (unaudited)

there has been no material impact on the Company's operations, it 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.