ONESOFT SOLUTIONS INC.

Management's Discussion & Analysis

One Month and Ten Months ended December 31, 2018

Effective in 2018, the Company changed its financial year-end from February 28 to December 31. The change in year-end will result in the Company filing a one-time, ten-month transition year financial statement covering the period of March 1, 2018 to December 31, 2018. Subsequent to the transition year, the Company's financial year will be the period from January 1 to December 31.

This document analyzes and discusses the one-time, one-month Q4 period which is the month of December 2018, and the ten-month transition year which is the period of March 1, 2018 to December 31, 2018. The comparative period is the twelve-months ended February 28, 2018.

This Management's Discussion and Analysis is dated March 25, 2019.

CHANGE IN YEAR-END: COMPARATIVE INFORMATION

The information presented in this Management's Discussion and Analysis ("MD&A") is for the one-month financial period ended December 31, 2018 ("ME Dec 2018") and the ten-month financial period ended December 31, 2018 ("FPE December 31, 2018"). Comparisons of ME Dec 2018 and FPE December 31, 2018 may be made to the quarter and fiscal year ended February 28, 2018, which were three and twelve-month periods, respectively. Readers of this document should be aware of the differences in months when comparative information is presented.

INTRODUCTION

This MD&A of the results of operations, cash flows and financial position as at and for the period ended December 31, 2018, should be read in conjunction with the audited consolidated financial statements and notes thereto for the ten month financial period ended December 31, 2018 and prior fiscal year ended February 28, 2018 ("Last Fiscal Year"). 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 OSS and its four wholly-owned subsidiaries: OneBridge Solutions Inc., OneBridge Solutions, Inc. (together, "OneBridge") OneCloudCo Limited and CloudCo Solutions Inc. All figures presented in this MD&A are in Canadian dollars unless otherwise specified.

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 18.

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 18 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.

FINANCIAL SUMMARY

Selected Annual Information
(In $000's, per share amount in $)

Fiscal Period	**Ten months ended December 31, 2018**	**Twelve months ended February 28: 2018**	**2017**	**2016**
Revenue	**4,328**	**1,005**	**571**	**405**
Income (loss)				
Continuing operations	295	(2,880)	(1,642)	(2,240)
Discontinued operations	-	-	178	(91)
Comprehensive income (loss)	**295**	**(2,880)**	**(1,464)**	**(2,331)**
Basic and fully diluted income (loss) per share				
Continuing operations	0.00	(0.03)	(0.03)	(0.06)
Discontinued operations	-	-	0.00	0.00
All operations	**0.00**	**(0.03)**	**(0.03)**	**(0.06)**
Total assets	5,431	5,123	1,843	2,105
Long term liabilities	-	431	389	246
Number of shares outstanding (000's)	101,024	96,224	67,581	60,261

HIGHLIGHTS OF THE FISCAL PERIOD (10 MONTHS) ENDED DECEMBER 31, 2018

OneSoft experienced what management considers to be pivotal events in FPE December 31, 2018, in transitioning from its R&D phase to commercialization of its software solutions. Significant milestones include the following:

- Revenue more than quadrupled from Last Fiscal Year, increasing from $1,005,045 to $4,327,845 for FPE December 31, 2018. Revenue based on the Company's software as a service ("SaaS") business model including recurring and repeating revenue[1] was $1,308,345, and $3,019,500 of revenue recognized from the completion of the Polaris technology development project, wherein we migrated intellectual property from Phillips 66's comprehensive desktop computing applications to the Company's CIM 3.0 solution, which operates on Microsoft's Azure cloud computing platform.

  (1) Recurring revenue occurs regularly each period, repeating revenue probably repeats each period and may be different amounts.

- The high revenue growth from Last Fiscal Year to FPE December 31, 2018 generated the following period over period ("POP") financial metrics:

  - Gross profit increased to $4,142,662 from $910,390.
  - Operating income increased to a profit of $340,686 from a loss of $2,773,943.
  - Comprehensive income increased to a profit of $294,780 this period from a loss of $2,880,440 last year.
  - Adjusted EBITDA increased to positive $876,022 this period from negative $1,795,196 last year. Adjusted EBITDA in FPE December 31, 2018 represented 20.2% of revenue.
  - FPE December 31, 2018 represents the first period of profitable operations since the Company sold its desktop computing business units and reorganized the Company to refocus on R&D initiatives to pursue and leverage machine learning, data science and cloud computing opportunities.

- During FPE December 31, 2018, all remaining outstanding warrants (4,200,333) were exercised, generating $567,050 of cash for the Company, and employees exercised 600,000 options, generating an additional $101,000 of cash.

- OneSoft ended FPE December 31, 2018 with working capital improving to $2,419,367, from $1,322,932 as at Last Fiscal Year end. The Company has no liabilities other than accounts payable, accrued liabilities and deferred revenue, is well financed and in management's opinion is poised to become cash positive during Fiscal 2019, provided some of the current prospective clients are signed to commercial contracts as anticipated and new major development sprints are not undertaken.

- The Company completed its Cognitive Integrity Management ("CIM") version 3.0 (formerly referred to as "Polaris") development sprint in FPE December 31, 2018, on time and on budget. This was an extensive effort wherein we migrated comprehensive on-premise software applications developed by Phillips 66 to manage their own pipeline infrastructure, and integrated components of our machine learning and data science technologies to create CIM 3.0 which now operates on Microsoft's Azure Cloud computing platform as a software-as-a-service ("SaaS") application. This development sprint was partially funded by clients through prepayments for services, and the Company recognized revenue earned in connection with the project in ME Dec 2018. CIM 3.0 provides full "cradle to grave" functionality that oil and gas ("O&G") pipeline operators world-wide typically require to perform integrity and logistics management of their transmission pipeline infrastructure. Although this component of the Company's revenue is non-recurring, it is conceivable that similar future development projects to enhance functionality of our solutions might occur, potentially with client funding that could result in similar future revenue increases from time to time.

- The Company's CIM solutions and underlying technology made gains with respect to positive market acceptance within the industry and the value of CIM has now been validated by certain clients, prospective clients and industry experts.

- Clients engaged in multi-year contracts for use of the Company's solutions increased from 1 in the prior fiscal year to 6 currently, which now include 1 independent pipeline operator, 4 Fortune 500 companies, and an industry "Super-major"[1]. These clients collectively operate approximately 51,000 miles of oil and gas transmission pipeline infrastructure in the U.S.A. and Canada.

  [1] *Super-majors are considered to be amongst the seven largest oil and gas pipeline companies world-wide.*

OUTLOOK

OneSoft is at an important inflection point wherein the Company has commenced transitioning from its R&D focus to commercialization of its CIM solutions. Revenue growth will be commensurate with the pace of market adoption of the Company's solutions. Management is highly optimistic that the Company is well positioned to successfully cross the "market adoption chasm" (refer to Company's FYE February 28, 2018 MD&A, page 10 for further explanation). We believe the user experiences and strong validations of our solutions by our early adopter clients are now resonating positively within the U.S.A. marketplace, which serves to boost confidence and encourage wider industry acceptance of our new machine learning technologies and processes to replace legacy systems.

Addressable Market, Revenue Metrics and Pricing

As explained in the Company's FYE February 28, 2018 MD&A (page 9) published on SEDAR, the Oil and Gas ("O&G") pipeline industry has an estimated annual expenditure of more than USD $600 million by U.S.A operators, and USD $1.1 billion by operators globally, dedicated to data evaluation processes. These expenditures represent the "sweet spot" for OneSoft's CIM solutions, which is a cloud computing platform optimized to perform advanced data analytics using advanced data science and machine learning technologies.

OneSoft's challenge is to disrupt the status quo with its new technology solutions and claim market share from legacy products that currently serve the market. To disrupt established legacy technology and processes with new technology solutions, we believe it is necessary to offer superior software and analytics capabilities to clients at a reduced cost compared to legacy solutions serving the marketplace today, not unlike the experience of other new disruptive technologies that have been brought to market. Similarly, OneSoft expects to continue to evolve pricing for its solutions. Our first clients were granted special pricing, because it was necessary to onboard them in order to solicit user experience and input into our solutions, and to achieve industry validation that confirms our solutions offer a higher value proposition than legacy systems. We anticipate that revenue opportunities for our solutions will continue to increase as we gain more client confidence, add new functionality modules and increase market share. OneSoft's objective is to attract as many new clients as we can ("signing new logos"), which may initially require price discounting. Although non-disclosure terms do not allow us to publicize identities of most of our clients, many U.S.A. pipeline operators are now aware of the progress we have made with our early adopter clients, because information about CIM capabilities is well-shared at industry conferences and other peer-attended events and communications.

Revenue metrics over the past two years indicate that recurring and repeating SaaS revenues equated to approximately $100 per mile per year of pipeline data ("data mile") processed. While we do not have sufficient data points to accurately project future data mile revenue metrics, we believe that historic figures can reasonably be assumed for general planning purposes and anticipate that revenue per data mile metrics may increase as software functionality enhancements generate incremental revenue opportunities.

The Company's current sales pipeline consists of several prospective clients who are engaged in various stages of software pilot trials and sales processes, collectively operating approximately 200,000 miles of transmission pipeline infrastructure. We are unable to predict when these sales will materialize, complicated by the further uncertainty of pipeline operators deploying only partial segments of their pipeline infrastructure in staged adoptions of CIM, rather than loading all data for their entire pipeline assets when they initially adopt CIM. To estimate the potential total addressable market ("TAM") for CIM within the U.S.A., it may be reasonable to potentially apply historical revenue per data mile metrics (and assuming no changes in CIM functionality which might command higher prices) to the 660,000 miles of piggable transmission pipeline infrastructure for which inline inspection data has been collected to date.

A more salient pricing factor relates to the value that CIM generates for clients, which may be more aptly stated as the cost of *not* using CIM. Several pilot and client experiences to date have proven that CIM has identified threats that were able to be repaired prior to advancing to points of pipeline failures, and forensic analysis of pipeline data has also confirmed that costly failures that have occurred as a result of unknown threats could possibly have been identified prior to failure, had CIM been implemented. Furthermore, the industry incurs significant and unnecessary costs excavating and inspecting suspected threats found not to require repair, while also erring in certain cases by not excavating real threats, because incomplete data analysis resulted in insufficient insight to make the correct decisions. Pipeline companies also incur significant expense analyzing data using highly skilled and expensive human, manual methodologies, which can be done much more efficiently and effectively by CIM.

OneSoft embarked on investigative research in FPE December 31, 2018 to determine how to accurately quantify the true value proposition that clients can realize by adopting CIM. Upon completion of this study, this may result in an alternate pricing strategy, wherein OneSoft might potentially invoice revenue based on a percentage of actual costs saved by clients – e.g., based on factors such as costs of field excavations reduced or curbed justified by better data analysis, costs of failures prevented, etc.

Sales Cycles and Potential Competitors

Although we expect sales cycles will continue to be lengthy, we are optimistic that most prospective clients we are working with today will ultimately adopt our solutions, for several reasons. Firstly, the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), the regulatory body responsible for regulating pipeline operations in the U.S.A., is now aware of the benefits that CIM provides, because of certain trial software work that involved some of our clients and PHMSA officials. We believe that solutions like CIM, based on cloud computing, data science and machine learning technologies, can perform more sophisticated data analysis than current industry processes, with increased capability to detect threats to avert pipeline failures. This supports our belief that our CIM platform can assist the O&G pipeline industry to accelerate achievement of its stated objective of zero failures.

We believe that OneSoft is clearly positioned as the technology leader for our markets today, and that we will be able to maintain this lead. We are not aware of any other machine learning solutions today that rival CIM's capabilities, nor are we aware of any potential competitors who are anywhere close to releasing a competing product. We intend to preserve our technological lead by continuing to implement our aggressive R&D strategy to develop synergistic functionality that integrates with our established cloud-based machine learning data platform, based on a SaaS business model that fosters recurring and repeatable revenue.

The antithesis of disadvantageous lengthy sales cycles and decision timetables that we have been facing to date is that clients are more likely to continue long term use once their decisions to adopt our solutions have been made. We believe that long sales cycles increase the probability that potential future competitors will face challenges in attempting to displace our solutions (i.e., long sales cycles increase our "competitive moat"), for several reasons:

- We believe that potential competitors who might embark on development of CIM type functionality will face formidable obstacles to catch up to and displace OneSoft solutions. Such competitors will first need to assemble data science development teams, establish collaborative technology and sales relationships with companies like Microsoft, expend millions of dollars to develop their solutions, identify and engage private preview software users, and then execute extensive product validation efforts, before their solutions will be embraced by clients. OneSoft has required more than three years to evolve CIM from a "vision" to an industry-validated solution, after we invested in and pioneered cloud computing fundamentals necessary to commence CIM development, and we had a unique opportunity to garner significant benefits by participating in Microsoft's first Accelerator for machine learning and data science. Furthermore, we believe that the unusual opportunity to integrate Phillips 66 software IP into CIM has also served to catapult our technological lead, which we estimate has reduced development efforts to achieve current functionality by a further 3 years at minimum.

- We believe the enormity of replicating our technology and solutions precludes most current industry vendors who provide legacy competitive products from embarking on such an extensive project. Development costs would be very significant, and a probable time line scenario of 5 years or more would likely be required to replicate OneSoft's IP as it exists today, from initial development to market validation by clients. Providing we continue to pursue cutting-edge R&D initiatives, it will likely be difficult for any new entrant to catch up to OneSoft and deliver superior solutions, because of our head start regarding the technology, client and business advancements we have achieved.

- Replacing legacy systems with new technology is very disruptive for companies, thus clients are reluctant to investigate and pursue changes unless future benefits and advantages are clearly evident and strongly warranted. This situation thwarts new potential competitors from entering the marketplace, as OneSoft initially experienced. We believe that being first to market with a machine learning cloud solution, and now buttressed by the market credibility and traction we have gained to date, has increased our competitive moat and probability of retaining our clients for the foreseeable future. We anticipate that potential competitors will be frustrated in their attempts to displace our solutions, providing we continue our R&D efforts to remain at the technological forefront.

Strategy for Fiscal 2019

The Fiscal 2019 operational plan focuses on 3 key initiatives:

1. **Evolve CIM Solution Functionality**
   Although operational procedures used by our clients are generally common, their operational diversity has identified a number of opportunities to enhance CIM solution functionality. We plan to develop CIM 4.0 as a successor product to both CIM 2.0 and CIM 3.0 that will include additional client-selectable functionality enhancements that will ultimately support additional revenue opportunities in accordance with our SaaS economic consumption model. Additionally, CIM 4.0 will contain functionality that will assist us to streamline and automate on-boarding of new clients at higher scale.

2. Contract New Clients

OneSoft is in a unique position today, being first-to-market with a machine learning solution and competing with industry vendors who only provide legacy technology solutions that cannot today replicate CIM functionality and performance. Our over-arching, primary objective today is to continue to engage new clients in software trials that are sufficiently compelling to cause new clients to adopt our solutions for ongoing commercial use. We believe that OneSoft technology may potentially be in a position to set new expectational precedents for machine learning solutions in the O&G pipeline industry, and further believe that once contracted, our clients will remain to be long-term customers.

3. Pursue R&D to Commercialize Cognitive Learning

Software trials with prospective customers and the commercial use of CIM by our clients have generated deep insight regarding the high value of maintaining a single company data platform and repository, wherein multiple processes and functions can be performed across multiple departments within a pipeline company, as compared to departmentally "siloed" processes that typically characterize pipeline operations today. We intend to transform CIM from an *application* to a CIM *platform*, which will accommodate the merchandizing of cognitive learnings from our proprietary machine learning algorithms to O&G pipeline clients. To date we have processed data for tens of thousands of miles of pipeline involving more than 30 million features, in 20+ iterations of our machine learning algorithms. We believe this work represents unique and unparalleled analyses and learnings which have now been absorbed into our algorithms, and which even the largest of pipeline operators, PIG vendors and other industry experts and vendors have not yet been able to replicate.

Some of our clients who understand the benefits of transforming CIM to a platform desire additional synergistic functionality and have expressed interest in contributing collaborative user input and resources necessary to evolve the CIM platform. This includes advanced probabilistic risk models designed to operate in accordance with PHMSA's future guidance requirements, incorporation of additional datasets to the CIM platform leveraging of data science and machine learning techniques to simulate and improve upon certain Monte Carlo methodologies that are used within the industry today and safety management systems ("SMS"). Similar to the CIM 3.0 development sprint in 2018, future sprints will be conducted in accordance with "The Lean Start-up" software development model, wherein client and prospect feedback will drive functionality and development priorities in the product being developed.

The R&D projects described in this section are not currently part of our Fiscal 2019 plan but will be initiated once client participation and appropriate funding for required resources is determined.

Fiscal 2019 Expectations

We believe that our efforts to date have positioned the Company to evolve the CIM platform for future opportunities and commence significant revenue growth. We anticipate that recurring and repeating revenue associated with CIM clients will increase in Fiscal 2019, and that other revenue potentially derived from software trials will continue to be sporadic, in accordance with historic experience.

New R&D sprints commenced in Fiscal 2019 are expected to be ongoing beyond the Fiscal 2019 year-end, with incurrence of associated R&D costs, and that similarly to the CIM 3.0 project, part of the development costs may potentially be funded in some manner by early-adopter customers. Recognition of revenue associated with these development sprints, if any, is not likely to occur until Fiscal 2020.

In summary, the Company's strategies, business, technology and operational plans for Fiscal 2019 have all been crafted to increase shareholder value through achievement of two key objectives: (a) increasing our technological lead, which we believe is significant; and (b) increasing market share and revenues.

SUBSEQUENT TO PERIOD END

Subsequent to the fiscal period ended December 31, 2018 the Company made several announcements about its business progress, as follows:

- On January 7, 2019, the Company announced that two new clients, including one industry Super-major, adopted CIM solutions for long term use. Management believes that this was a key milestone because of stringent vulnerability assessment testing conducted by the Super-major prior to choosing CIM and the credibility associated therewith, which may contribute to accelerated adoption of OneBridge solutions by other prospective customers in the future.
- On January 14, 2019, the Company published a business update, announcing completion of the Polaris development project.
- On January 24, 2019, the Company published its Q3 financial report in accordance with the prior February 28 fiscal year end date, before the year end date was changed to December 31.

- On February 20, 2018, the Company announced that a subsidiary of a large conglomerate that operates pipelines situated primarily in the mid-west U.S.A. and Texas had adopted CIM for long term use. The Client is working with us to develop the most advanced cloud computing platform leveraging machine learning and data science for the integrity management of pipelines. The Client engaged in a Pilot Project using OneBridge CIM 2.0 in September 2017 and participated in the CIM 3.0 Private Preview program in 2018. The Client intends to initially operate CIM enterprise-wide in parallel with its internal systems, with a view of ultimately adopting CIM as its primary solution to manage its pipeline infrastructure later this year.
- On February 22, 2019, the Company announced that OneSoft Solutions had been named to the TSX Venture 50 list due to it being ranked the fourth highest top performer in the Technology sector on the TSX Venture Exchange in 2018. The 2019 TSX Venture 50 list is comprised of 10 companies from each of five industry sectors, with selection criteria based on equally weighted factors of market capitalization growth, share price appreciation and trading volume. OneSoft recorded market capitalization growth of 136% over the prior year, traded 29,408,991 shares during 2018, and the Company's share price increased 96% year over year.
- On March 25, 2019 the Company announced another Fortune 500 client addition, which increases pipeline data miles under multi-year contract for CIM SaaS services to approximately 51,000. This is expected to result in a cash break even scenario based on the current Fiscal 2019 business plan.

SUMMARY OF QUARTERLY RESULTS

For the Fiscal Quarters ended:

	FY 2019				FY 2018			
($ 000's, per Share in Dollars)	**Dec 31**	**Nov 30**	**Aug 31**	**May 31**	**Feb 28**	**Nov 30**	**Aug 31**	**May 31**
Revenue	3,137	509	389	293	283	260	238	223
Gross profit	3,132	394	337	280	250	216	238	206
Expenses (net of software development costs capitalized)	602	1,135	1,051	1,014	1,064	869	1,030	721
Comprehensive income (loss):	2,529	(738)	(729)	(767)	(964)	(629)	(786)	(501)
Basic and diluted loss per share:	0.03	(0.01)	(0.01)	(0.01)	-	(0.01)	(0.01)	(0.01)

Month ended December 31, 2018 compared to three months ended February 28, 2018

Revenue and Gross Profit

	Month ended December 31, 2018	3 months ended February 28, 2018	Change	
	$	$	$	%
Software development	3,019,500	-	3,019,500	100.0
CIM Revenue	117,822	257,094	(139,272)	(54.2)
Other revenue	-	2,083	(2,083)	(100.0)
Total Revenue	**3,137,322**	**283,202**	**2,854,120**	1,007.8

A major software development project (CIM 3.0) that had been underway since January 2018 successfully completed in December 2018. This resulted in the Company recognizing $2,013,000 in revenue previously recorded as deferred revenue and $1,006,500 in revenue from the final installment, which was invoiced in December and collected in January 2019. CIM revenue for December 2018 as presented above is only one month's revenue versus a three-month comparable quarter last year. The average monthly revenue is higher this period due to the addition of new customers since last year. Gross profit rose to $3,131,769 this period versus $249,785 last year, due to the completion of the CIM 3.0 project.

Operating expenses:

	Month ended December 31, 2018	Three months ended February 28, 2018
	$	$
Salaries and employee benefits	508,155	644,866
Stock-based compensation	35,379	101,629
General and administration	48,356	77,828
Sales and marketing	29,640	97,619
Loss on impairment of intangible assets	-	254,601
Amortization of intangible assets	20,736	(84,291)
Depreciation of property and equipment	1,624	4,465
	643,890	**1,096,717**
Software development costs capitalized	(42,191)	(32,390)
Operating expenses, net of costs capitalized	**601,699**	**1,064,327**

Operating expenses are lower in the one-month period and not comparable to the three-month quarter last year due to the number of months in the two periods.

Salaries and employee benefits expense is comparatively higher due to an accrual for employee incentives being approximately $158,169 higher in this period than last year. This quarter last year, the intellectual property created for the Pipeline Public Awareness market was judged to be impaired due to the Company withdrawing from that market for an undisclosed period, in order to focus on CIM and pipeline integrity management. Certain amortization expense related to those assets was adjusted in the quarter last year and the book value of the related assets was written down resulting in expense of $254,601. No products were impaired this period. Development costs related to CIM 3.0 were capitalized in December 2018. In this quarter last year, CIM 2.0 was completed and a smaller amount of cost was capitalized.

Other income (expense):

	Month ended December 31, 2018	Three months ended February 28, 2018
	$	$
Impairment of goodwill	-	(51,898)
Revaluation of contingent consideration	-	(94,071)
Interest income	2,320	28
Foreign exchange loss	(3,798)	(3,979)
	(1,478)	**(149,920)**

Last year, due to the Public Awareness products being impaired, the Company wrote down a portion of the goodwill asset by $51,898. Also, at this time last year, the increase in the trading price of the Company's shares caused the value of the contingently issued shares to increase creating expense of $94,071. There were no similar expenses this period.

Comprehensive income (loss)

The Company recorded net income of $2,528,592 in the one-month quarter this period versus a loss of $964,462 in the comparable three-month quarter last year. The gross profit generated by the software development project combined with a shortened reporting period for expenses created the income this period.

Ten months ended December 31, 2018 compared to Twelve Months ended February 28, 2018

Revenue and Gross Profit

	Ten months ended December 31, 2018	Twelve months ended February 28, 2018	Change	
	$	$	$	%
Software development project	3,019,500	-	3,019,500	100.0
CIM Revenue	1,300,012	969,628	330,384	34.1
Other revenue	8,333	35,417	(27,084)	(76.5)
Total Revenue	**4,327,845**	**1,005,045**	**3,322,800**	**330.6**

As previously stated, a major software development project underway for one year successfully completed in December 2018, resulting in the Company recognizing $2,013,000 in previously recorded deferred revenue and invoicing $1,006,500 in additional revenue, which was collected in January 2019. Despite the shortened period ending December 31, 2018, CIM revenue increased due to additional clients being added in the period and a greater number of pipeline assessment logs being processed. Gross profit increased to $4,142,662 from $910,390 primarily due to the successful closing of the software development project.

Operating Expenses

	Ten months ended December 31, 2018	Twelve months ended February 28, 2018	Change	
	$	$	$	%
Salaries and employee benefits	2,809,155	2,385,019	424,136	17.8
Stock-based compensation	386,510	445,367	(58,857)	(13.2)
Sales and marketing	466,545	291,575	174,970	60.0
General and administration	437,432	396,258	41,174	10.4
Loss on impairment of intangible assets	-	254,601	(254,601)	(100.0)
Amortization of intangible assets	208,077	367,960	(159,883)	(43.5)
Depreciation of property and equipment	13,856	17,344	(3,488)	(20.1)
	4,321,575	**4,158,124**	**163,451**	**3.9**
Software development costs capitalized	(519,599)	(473,791)	(45,808)	9.7
Operating expenses, net of costs capitalized	**3,801,976**	**3,684,333**	**117,643**	**3.2**

Salaries and employee benefits increased due to additions being made to the marketing, sales and development teams and increases being made to staff wages. Staff incentives, linked to certain business and product development milestones, increased $158,169 over last year. Stock based compensation decreased due to the changed number of months in the fiscal period.

General and administrative costs increased by $41,174 or 10.4%. The Company's use of the Azure platform increased internal software expense by $146,202. Last year, these Azure costs were being absorbed by a sponsorship grant the Company had received for participating in the Microsoft Ventures Accelerator program. Legal fees reduced by $55,775. Last year, the Company incurred fees to list on the U.S. OTCQB market and to block a possible patent of the Company's intellectual property by a third party, and no similar fees for these activities have been incurred this period. Initial corporate and listing fees associated with the US OTCQB market have subsided to sustaining fees only, a reduction of $24,122 on a comparative basis with last year.

Sales and marketing expense increased by $174,970 or 60%. Fees of $118,262 were paid to a consulting firm assisting the Company to optimize its sales process and revamp product pricing strategies, with a view to decreasing sales cycle time and to better capitalize on the high value metrics that OneBridge solutions provide clients. Increased promotion of the Company's technology and solutions at industry trade show and seminar events caused costs to rise by $37,012.

Last year, the intellectual property developed for the Pipeline Public Awareness market was declared impaired due to the Company having withdrawn from that market for an undisclosed period to focus on pipeline integrity. The book value of the related assets were written down resulting in expense of $254,601. As the products written down did not have to be amortized this period, amortization declined by $159,883 or 43.5%

Development costs related to CIM 3.0 were capitalized this period. Last year, CIM 2.0 was completed and its development costs were capitalized.

Comprehensive income (loss)

Due to the much higher revenue generated by the software development project and other sources of revenue, and the shortened period wherein only ten months of expenses were recorded, net income for the fiscal period ended December 31, 2018 was $294,780. Last Fiscal Year, the Company recorded a loss of $2,880,440.

FINANCIAL CONDITION & LIQUIDITY

	Ten months ended December 31, 2018	Twelve months ended February 28, 2018	Change	
	$	$	$	%
Comprehensive income (loss) adjusted for non-cash items	970,237	(1,700,099)	2,670,336	(101.6)
Working capital changes	(2,742,064)	2,287,845	(5,029,909)	(102.2)
Cash (used in) provided by operating activities	(1,771,827)	587,746	(2,359,573)	(104.0)
Cash flow provided by financing activities	668,050	3,487,210	(2,819,160)	(100.8)
Cash flow used in investing activities	(541,852)	(506,173)	(35,679)	(99.9)
Net change in cash	(1,645,629)	3,568,783	(5,214,412)	(101.5)
Cash, beginning of period	3,661,057	92,274	3,568,783	(61.3)
Cash, end of period	**2,015,428**	**3,661,057**	**(1,645,629)**	**(44.9)**

In the current fiscal period, the Company generated cash of $970,237 in operating activities after adjustment for non-cash items. $2,742,064 was consumed in working capital items as accounts receivable increased by $1,627,498 and deferred revenue decreased by $1,450,379. Both accounts were driven by the software development project which created a large increase in accounts receivable when the final installment was invoiced in December 2018 and when a large amount of deferred revenue was recognized as earned revenue when the project closed.

In this fiscal period, shareholders exercised 4,200,333 warrants, generating cash of $567,050. The warrants were the last of those issued in Private Placements completed in 2015 and 2016 and had expiry dates in March 2018. Employees exercised 600,000 stock options contributing $101,000 of cash to the Company.

Cash of $541,852 was invested into the development of CIM 3.0, acquiring new equipment and in registering trademarks this period, versus similar expenditures of $506,173 last year.

Cash used for operations and investment was $2,313,679 this period. The growth in expenditures was due to the execution of the Company's business plan to position the Company for future revenue growth. This period's cash consumption was financed by the exercise of warrants and employee stock options totaling $668,050 in exchange for new shares and by a reduction in cash of $1,645,629. In January 2019, the final installment of the software development project of $1,006,500 was collected, bolstering the Company's cash position.

On December 31, 2018, the Company had $2,015,428 cash, $1,756,177 in accounts receivable and $nil debt. Based on revenue expectations, current expenses and barring any unexpected large costs, Management believes the Company will have sufficient cash to finance its current business plan for the 2019 fiscal year and a portion of the year following, barring undertaking of major new R&D projects. Increasing revenues and value for shareholders remains the primary objectives, and strategies are being set to achieve these.

Total Assets

Total assets of the Company as at December 31, 2018 were $5,430,666, an increase of $307,759 from assets of $5,122,907 as at February 28, 2018. Cash decreased $1,645,629, to finance the cash flow consumed in operating activities and new investment. Accounts receivable increased by $1,627,498 due to the final installment of the software development project being invoiced at December period end, and two new contracts invoiced to customers who chose to prepay their CIM 2019 subscription fees. Intangible assets increased by net $322,069 after cost capitalization of the CIM 3.0 development costs and amortization.

Total Liabilities

Total liabilities were $1,409,910 as at December 31, 2018, a decrease of $1,539,182 from the amount reported as at February 28, 2018. On September 24, 2018, the value of the contingently issued shares ($497,601) was transferred to share capital when the contingent shares were released to the shareholder, following approvals being obtained from the TSX Venture Exchange and OneSoft shareholders at their annual general meeting on July 24, 2018. Deferred revenue decreased by $1,450,379, primarily due to the deferred revenue converting to earned revenue upon closing of the software development project in December 2018. Certain deferred revenue related to CIM subscriptions was also recognized in the period, and deferred revenue increased when several customers were invoiced at period-end for a portion of their CIM 2019 subscription fees.

Commitment

The Company is committed to pay minimum royalties of U.S. $2.25 million over a ten-year period ending 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.

Related party transactions

In the period, the Company expensed $240,800 (February 28, 2018 - $165,000) in respect of contractual management fees and incentives to a company owned by Dwayne Kushniruk, CEO. No other compensation was paid directly to him. On September 24, 2018, 4,503,188 contingently issued common shares paid to Bridge Solutions Inc. pursuant to the acquisition of IP in June 2015 that initiated the OneBridge company, were released from escrow. Management of Bridge Solutions Inc. also hold certain senior management positions in OneSoft Solutions Inc. On December 31, 2018, $136,569 (February 28, 2018 - $85,932) was due to related parties primarily related to compensation incentives accrued at the end of the period.

SHARE DATA

In the ten-month period ended December 31, 2018, shareholders exercised 4,200,333 warrants to purchase an equal number of shares, generating $567,050 of cash for the Company. Employees exercised 600,000 stock options at an average price of $0.17 generating an additional $101,000. The Company granted 2,800,000 stock options at an average strike price of $0.45 during the period, as part of compensation and incentive programs for employees, officers and directors. The options have vesting periods ranging from immediate to three years and will expire in five years from issuance date if unexercised. 400,000 stock options with an average exercise price of $0.34 were forfeited or cancelled.

The Company has outstanding 101,024,147 common shares and 9,186,667 stock options with an average strike price of $0.25. All previously outstanding warrants have been exercised.

RISKS AND UNCERTAINTIES

OneSoft is subject to business and economic risks including:

The Company's products are new and different from current industry solutions and may not gain enough acceptance

Machine learning, predictive analytics and other data science applications are relatively new technologies which the Company believes can be used to improve the safety of oil and gas pipelines. To the best knowledge of the Company, these sciences have not been successfully applied and used in the pipeline industry in the manner envisioned by Company management. While the Company believes that such applications may potentially render very favourable results, there can be no assurance that such applications will be successful, or that the Company's potential customers will adopt these new technologies, products and/or practices. Failure of potential customers to adopt these new technologies and products could materially reduce the Company's potential revenue.

Demand for the Company's products is unknown as potential customers may choose to continue to use legacy solutions or alternative technology/solutions. Pipeline operators may currently be using technologies, processes and procedures which they and their regulators may consider to be adequate to address the guidelines and regulations that govern the safe operation of oil and gas pipelines. While the Company believes the value proposition of its new cloud technology and products is compelling, there can be no assurance that potential customers will adopt the Company's products or be willing to change their current practices. Accordingly, the addressable market as estimated by the Company may not develop as anticipated.

The introduction of new products or new technologies could render the Company's products and/or the Company's future products that are currently being planned or developed obsolete. The computer software industry, particularly regarding new cloud and data science technologies, is undergoing rapid and constant change, and new instruments, gauges and machines are being introduced to the pipeline industry on a regular basis. The Company believes it must bring its products to market on a rapid timeline to ensure its software applications are not rendered obsolete or inferior by potentially more efficient and effective competitive products, or otherwise lose market opportunity because of superior products which may be developed and marketed by competing vendors. Such events could materially reduce or eliminate the total addressable market estimated by the Company.

The Company's pricing model is different from current industry practices and may not be accepted by the industry

There is no guarantee that the Company will be able to sell its products and services at the prices anticipated by the Company. There can be no assurance that our pricing models will be acceptable to and be embraced by our prospective customers. Whereas the Company currently believes its fees and pricing structures are reasonable with respect to revenue assumptions, there can be no assurance that the Company's current pricing model will not need to be altered in the future, and that such potential changes may materially alter the Company's current estimate of the revenue it can earn from its addressable market. Additionally, new competitors could enter and compete in the Company's intended market place. Any or all these factors could materially alter the Company's current estimate of its total addressable market and the revenue it can generate from it.

Risks regarding a patent of the Company's intellectual property;

The Company may or may not be successful in being granted a patent or patents should it apply for them. The lack of a patent may make the Company's products vulnerable to being copied or infringed upon by a competitor and may negatively impact the ability of the Company to compete effectively in its addressable markets. If the Company is successfully awarded a patent or patents, it will be necessary to reveal certain details regarding the Company's technology and intellectual property secrets, which could introduce additional risks associated with competitors who may not respect patent protection rights or may otherwise not be bound by patent protection rights because of the geographic location they operate from. Any or all these factors could materially alter the Company's current estimate of its market and its generation of revenue therefrom.

Future planned functionality enhancements may not be feasibly marketable

Planned future enhancements to the Company's products may not be sufficiently compelling to potential customers, which could prevent the Company from attaining its planned future pricing structure and materially alter the Company's current estimate of its addressable market and related potential revenue.

The Company has disclosed its intention to develop its products and continue to improve CIM functionality and it is the Company's belief that customers will be willing to pay higher prices for this additional functionality. There can be no assurance that prospective customers will find such future functionality to be sufficiently compelling to warrant the higher pricing. Additionally, the Company may ultimately determine that it may be uneconomic to pursue subsequent development if the current version of the product is not purchased in sufficient numbers by customers. Any of these factors may cause the Company to not pursue the development and sales of its planned products, or to continue to provide their availability, which could materially reduce the Company's current estimate of and generation of revenue.

The Company's reliance on the Microsoft cloud platform and services

Management believes that the Company currently has a degree of competitive advantage because it was an early adopter of Microsoft's cloud platform and services commencing in 2011, and it was a participant in Microsoft Venture's first Accelerator program for Machine Learning and Data Science involving big data. Microsoft is working collaboratively with the Company to assist with the introduction, marketing and sale of our products to selected enterprise level customers within the USA and other parts of the world. There can be no assurance that other software vendors will not develop competing products to the Company's that are also based on Microsoft's cloud platform and services, and/or on competing cloud technology platforms. Risks associated with the Company's reliance upon Microsoft include Microsoft increasing its rates for its cloud platform and services that power the Company's products, which might render the Company's products uncompetitive because of high cost; and the possibility that Microsoft may elect to work with other software vendors so they can compete with the Company. Potential changes to Microsoft's current cloud platform and services pricing model, or a reduction in the level of support that Microsoft is currently providing to assist the Company to advance its business, could materially alter the Company's current estimate of and generation of future revenue.

Personnel and Key Employee risks

The Company is reliant on its ability to retain current personnel and attract future employees who have specialized knowledge and expertise pertaining to technology development, data sciences, sales, marketing and servicing of products for oil and gas pipeline customers. There can be no assurance that the Company will be able to replace current employees or hire new employees in the future who have the specialized knowledge that is required to advance our business. The Company's potential inability to replace current skillsets and expertise and/or expand our teams to accommodate growth in a timely manner could materially alter the Company's current estimate of market size and generation of revenue therefrom.

The Company has entered into employment agreements with its officers and other key employees. OneSoft's operational success depends strongly on the abilities and experience of its executive officers and other key employees. Competition for highly skilled management, technical, research and development, and other key employees is significant in the software industry, and the loss of key employees could disrupt operations and impair the Company's ability to compete effectively. As part of our software offerings, we provide services that require highly specialized knowledge regarding Microsoft Cloud, software training, end-user support, and the determination of best practices. There can be no assurance that the Company will retain its key personnel, or in the event of a key person leaving the Company, that a suitable replacement will be found in a timely manner.

Our business could be harmed if we fail to manage our growth effectively

The growth we anticipate for our company will place significant demands on our operational infrastructure. The scalability and flexibility of the Microsoft platform we use depends on the functionality of our technology and network infrastructure and its ability to handle increased traffic and demand for bandwidth. The growth in the number of customers using our platform and the amount of data required to be processed through our platform will increase. Any problems with the transmission of increased data and requests could result in harm to our brand or reputation. Moreover, as our business grows, we will need to devote additional resources to improving our operational infrastructure and continuing to enhance its scalability in order to maintain the performance of our platform.

Our growth will place a significant strain on our managerial, administrative, operational, financial and other resources. We intend to further expand our overall business, including headcount, with no assurance that our revenues will continue to grow. As we grow, we will be required to continue to improve our operational and financial controls and reporting procedures and we may not be able to do so effectively. As such, we may be unable to manage our expenses effectively in the future, which may negatively impact our gross profit or operating expenses. We are also subject to the risks of over-hiring and/or overcompensating our employees and over-expanding our operating infrastructure.

OneSoft's Cloud projects are not without risk, as customers may choose to continue to use legacy solutions

Technological change often occurs at a rate that exceeds the pace at which customers are willing to adopt and pay for better ways to address their requirements. Management believes that, despite a potentially slow initial adoption rate of cloud computing by many customers, the eventual move to a Cloud strategy by businesses is inevitable and probable. However, if the general market acceptance of new Cloud products is too slow to develop, OneSoft may have to be financed by investors until cash generated by operations renders OneSoft into an economically viable company. While Management's revenue and profit forecasts in the longer term appear to be what we believe are achievable, the Company may require additional capital to attain those revenue objectives. Funding initiatives may be highly dilutive or may be disadvantageous to current shareholders in other ways.

Ability to fund continued operations

The Company has incurred losses. Management believes the Company has enough cash to fund the Company's go-forward operations for four quarters as currently envisioned. Although the revenue and profit forecasts in the near term appear to be favourable, the Company could require additional capital to fund future growth plans to attain the revenue opportunities it projects. There can be no certainty that the Company will be able to achieve the required revenue growth and profitability objectives or attract additional investor funding. Future funding initiatives may result in high dilution to the current shareholders, and/or other scenarios may arise that are disadvantageous to shareholders.

Dependence on Intellectual Property Rights

The Company's success and ability to compete may be enhanced by effective copyright, trade secret, and trademark law to protect its technology and the technology licensed to it by third parties. Effective trademark protection may not be available for the Company's intellectual property, trademarks or the trademarks licensed by it. It may be possible for third parties to copy or otherwise obtain the use of OneSoft's software or other proprietary information without authorization or to develop similar software independently. Policing unauthorized use of our technology is difficult, and the law may afford little or no effective protection of its intellectual property. There can be no assurance that misappropriation of our technology, trade dress or agreements entered into for that purpose will be enforceable.

Better-capitalized companies could negatively impact OneSoft's financial results of operations

Other corporations with considerable financial resources may have the ability to encroach on our competitive position within our chosen marketplace or compete successfully with our products and services by providing better marketing, services or support for clients. They may introduce applications that compete with our products and services and their larger sales volumes may allow them to reduce prices to levels that are uneconomic to us. Any significant adverse effect on our revenue or cost structure may materially affect our financial position.

Investment in our current research and development efforts may not provide a sufficient, timely return

The development of new software products and strategies is a costly, complex and time-consuming process, and the investment in software product development often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in software development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating results if they do not generate revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts in order to maintain our competitive position; however, significant revenue from new product and service investments may not be achieved for a prolonged period, if at all.

Current and future competitors could have a significant impact on our ability to generate future revenue and profits

The markets for our products are intensely competitive and are subject to rapid technological change and other pressures created by changes within our industry. We expect competition to increase and intensify in the future as additional companies enter our markets, including competitors who may offer similar solutions but provide them through different means. We may not be able to compete effectively with current competitors and potential entrants into our marketplace. We could experience diminished market share if our current or prospective competitors introduce new competitive products; add new functionality to existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our products and services, we might need to lower the prices we charge for the products we offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect our business and operating results.

We may become involved in legal matters that may materially adversely affect our business

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations or financial condition.

Cybersecurity risks may not be fully mitigated

The Company stores all its information, software applications, customer data and internal financial system on remote servers made available to the Company in the Microsoft Azure Cloud Platform. The Company provides customers access to the software applications housed on those remote servers using online ID and password systems. Each employee of the Company has a personal computer on which certain Company information is stored. All computers are protected by antivirus software and by using personal IDs and passwords to prevent unauthorized access. The Azure Cloud Platform and Services are used by a vast range of Microsoft customers and they process an extremely high number of transactions daily. Due to these factors, the Azure platform is continually tested by Microsoft and is always in compliance with the very latest and highest level of computer industry security certifications. The Company places a high reliance on those certifications to protect the data it stores on those servers. Despite those protections, the Company acknowledges it may be susceptible to a cybersecurity attack by determined activists which could potentially lead to the loss of sensitive data and the loss of customers and the related revenue they pay to the Company, and / or cause the Company to suffer remediation costs which could be very expensive or perhaps fatal to the Company. There can be no assurance that Company security policies would be effective to ward off any and all threats to its cybersecurity protections.

If our software contains serious errors or defects, we may lose revenue and market acceptance

Software such as ours may contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our platform may contain serious errors or defects, security vulnerabilities or software bugs that we may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, financial condition and results of operations. To the extent we deploy new versions or enhancements that contain errors, defects, security vulnerabilities or software bugs to all our customers simultaneously, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of our customers.

Since our customers use our services for processes that are important to their businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in our platform could result in losses to our customers. Our customers may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, a customer could share information about bad experiences on social media, which could result in damage to our reputation and loss of future sales. There can be no assurance that provisions typically included in our agreements with our customers that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and could seriously damage our reputation and brand, making it harder for us to sell our solutions.

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:

	December 31, 2018	February 28, 2018
Financial assets	$	$
Loans and receivables		
Cash and cash equivalents	2,015,428	3,661,057
Trade and other receivables	1,756,177	128,679
	3,771,605	3,789,736

	December 31, 2018	February 28, 2018
	$	$
Financial liabilities		
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	706,854	365,070
	706,854	365,070

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 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. Much 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 much 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.

	December 31, 2018 $ (USD)	February 28, 2018 $ (USD)
Cash and cash equivalents	1,140,785	1,720,478
Trade and other receivables	1,279,382	85,130
Accounts payable and accrued liabilities	(181,748)	(26,465)
Total exposure	2,238,419	1,779,143

Strengthening or weakening of the Canadian dollar against the USD by 10% (February 28, 2018 - 10%) would have had the following applicable positive or negative impact:

	Profit $	Equity $
December 31, 2018	4,102	4,102
February 28, 2018	1,692	1,692

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:

	December 31, 2018 $	February 28, 2018 $
Classes of financial assets - carrying amounts:		
Cash and cash equivalents	2,015,428	3,661,057
Trade and other receivables	1,756,177	128,679
Carrying amount	3,771,605	3,789,736

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.

Customer accounts are closely monitored for the amount and age of balances outstanding. The Company's target market primarily consists of large pipeline operating companies who are expected to reliably pay all amounts owed to the Company.
The aging of accounts receivable was:

	December 31, 2018		
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
Current	1,642,981	-	1,642,981
Past due 30 to 60 days	17,048	-	17,048
Past due more than 90 days	96,148	-	96,148
Total	1,756,177	-	1,756,177

	February 28, 2018		
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
Current	$ 122,117	$ -	$ 122,117
Past due more than 90 days	6,562	-	6,562
Total	$ 128,679	$ -	$ 128,679

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 at December 31, 2018 were $706,854 (February 28, 2018 - $365,070).

The Company considers cash flows from financial assets of $3,771,605 (February 28, 2018 - $3,789,736) in assessing and managing liquidity risk, and, its cash resources and trade receivables. The Company's existing cash resources and trade receivables do not exceed the current cash outflow requirements. Cash flows from trade and other receivables are contractually due within one month.

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 in the consolidated financial statements for the period ended December 31, 2018 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

Standards issued and adopted by the Company in the current period:

IFRS 9 – Financial instruments

IFRS 9 replaces IAS 39, "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed-measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also introduces an expected credit loss model for the impairment of financial assets. IFRS 9 is effective for fiscal years beginning on or after January 1, 2018.

The summary of the impact of the adoption of IFRS 9 is as follows:

	Closing balance, February 28, 2018	Impact of IFRS 9	Opening balance, March 1, 2018
Financial Assets	**$**	**$**	**$**
Cash and cash equivalents	3,661,057	-	3,661,057
Trade and other receivables	176,177	-	176,177
Prepaid expenses and deposits	57,672	-	57,672
	3,894,906	**-**	**3,894,906**
Financial Liabilities			
Accounts payable and accrued liabilities	365,070	-	365,070
	365,070	**-**	**365,070**

Each of the items listed in the table above are measured at amortized cost under IAS 39 and moving forward under IFRS 9. Adoption of the standard did not impact the Company's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") replaced IAS 18 - Revenue, IAS 11 - Construction Contracts and some revenue related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding whether revenue is to be recognized over time or at a point in time, and improves disclosures about revenue. IFRS 15 provides more detailed guidance on contracts involving the delivery of two or more goods and services as to when to account separately for the individual performance obligations in a multiple element arrangement, how to allocate the transaction price and when to combine contracts. IFRS 15 also provides guidance on how to treat arrangements with variable pricing, such as performance-based pricing and how revenue can be determined. In addition, IFRS 15 provides guidance on time value of money and adjusting a contract price for a financing component. Costs of obtaining new contracts to earn revenue must be deferred and amortized over the life of the contract. A practical expedient does not require contract assets and liabilities to be recognized if the contract period is for one year or less.

The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the Standard effective March 1, 2018 and chose to apply it retrospectively with restatement to contracts not completed as at March 1, 2018. There was no financial statement effect from adopting this accounting standard as the company's revenue recognition policy had been aligned with IFRS 15. As the Company has not paid incentives or incurred other direct costs when a software subscription was successfully sold to a customer, the Company does not have any contract assets or contract liabilities with customers.

IFRS 16 - Leases

IFRS 16, Leases ("IFRS 16") is a new standard which will require lessees to recognize assets and liabilities for most leases under a single accounting model, with certain exemptions. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

Early adoption is permitted, provided the new revenue standard, IFRS 15 has been applied or is applied at the same date. The standard had no effect on the Company's consolidated financial statements as it currently does not have any lease agreements.

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 Comprehensive income (loss) for each of the periods presented in this MD&A.

	Month ended December 31, 2018	Three months ended February 28, 2018	Ten months ended December 31, 2018	Year ended February 28, 2018
	$	$	$	$
Comprehensive income (loss)	2,528,592	(964,462)	294,780	(2,880,440)
Add (subtract):				
Depreciation and amortization	22,360	(79,826)	221,933	385,304
Stock based compensation	35,379	101,629	386,510	445,367
Impairment of intangible assets	-	254,601	-	254,601
Interest income	(2,320)	(28)	(27,201)	(28)
Adjusted EBITDA	2,584,011	(688,086)	876,022	(1,795,196)

ADVISORY REGARDING FORWARD LOOKING INFORMATION

This MD&A, the MD&A dated February 28, 2018 and the audited consolidated Financial Statements for the ten months ended December 31, 2018 and the audited consolidated Financial Statements dated February 28, 2018 (the "2018 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. The latter statements, which are forward-looking statements, are presented to provide guidance to the reader but their accuracy depends on several assumptions and are subject to various known and unknown risks and uncertainties. Forward-looking statements are included under the headings: "Highlights of the Fiscal Period (10 months) ended December 31, 2018", "Outlook", "Subsequent to Period-End", "Financial Condition and Liquidity" 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 2018 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 2018 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, 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 several known and unknown factors. Investors are cautioned not to place undue reliance on these forward-looking statements. All forward-looking information in the 2018 Reporting Documents is qualified by these cautionary statements. Although the forward-looking information contained these 2018 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 2018 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 2018 Reporting Documents.

The forward-looking statements contained in the 2018 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.