ONESOFT SOLUTIONS INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2019

DATED: March 24, 2020

Table of Contents

FORWARD LOOKING STATEMENTS

This Annual Information Form ("AIF") for the year ended December 31, 2019, (the "Dec. 2019 AIF") contains historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results, performance or achievements of the Company and its subsidiaries. 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 "Relationship with Microsoft Inc.", "Products", "Product Development", "CIM Sales and Revenue Growth", "Management Focus is Revenue Growth", "Business Outlook", "Competitive Conditions", "Business Cycles", "Market for the Company's Products", "Distribution Methods", "Changes to Contracts" and the section entitled "Risk Factors". When used in the Dec. 2019 AIF, 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 Dec 2019 AIF 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 December, 2019 AIF and are subject to risks described herein and in the Company's public filings on the Canadian Securities Administrators' website at www.sedar.com ("SEDAR") and as updated from time to time, and would include, but are not limited to, the emergence of the COVID-19 world pandemic, the world-wide large reduction in the trading price of crude oil which may affect the revenue of OneSoft's clients, the large reduction in the price of OneSoft's and its clients' shares on publicly traded stock exchanges, dependence on market economic conditions, sales and margin risk, the efficacy of the Company's software, 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 updated from time to time in the Company's other public filings on SEDAR. These risks and uncertainties may cause actual results to differ materially from those expressed in forward-looking 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 Dec. 2019 AIF is qualified by these cautionary statements. Although the forward-looking information contained in this Dec. 2019 AIF 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 Dec. 2019 AIF may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this Dec. 2019 AIF.

The forward-looking statements contained in the Dec. 2019 AIF 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 as a result of new information, future events, or otherwise.

CORPORATE STRUCTURE

Name, Address and Incorporation

OneSoft Solutions Inc. ("OneSoft", "OSS" or the "Company") is a corporation formed by certificate of incorporation issued pursuant to the provisions of the Alberta *Business Corporations Act* on September 6, 1996 under the name Discovery Acquisitions Inc. On October 15, 2002, the Company amended its Articles of Incorporation to change its name to Visions HRM Software Inc. and on December 2, 2004, the Company changed its name to Serenic Corporation. On July 28, 2014, the Company changed its name to OneSoft Solutions Inc.

The head office of the Company is located at 4217 Enterprise Square, 10230 Jasper Avenue, Edmonton, Alberta, T5J 4P6 and its telephone number is 780-248-5794. The registered office of the Company is located at 1700 Enbridge Centre, 10175 - 101 Street, Edmonton, Alberta, T5J 0H2.

OneSoft is a public company whose common shares trade on the TSX Venture Exchange under the trading symbol "OSS" and on the OTCQB Venture market in the USA under the symbol "OSSIF".

Change in year-end:

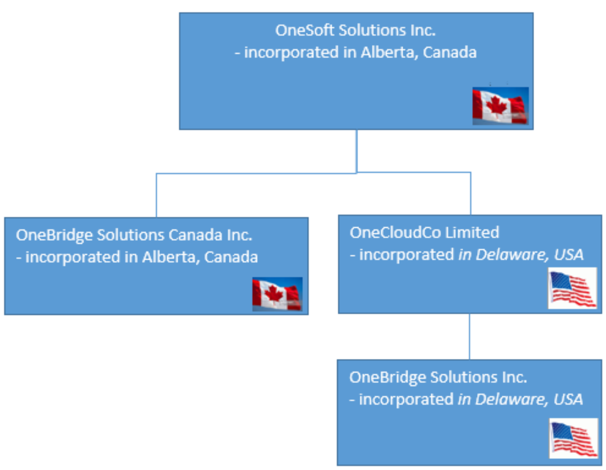
Effective in 2018, the Company changed its financial year-end from February 28 to December 31 to align with the financial reporting of most public issuers. The change in year-end resulted in the Company filing a one-time, ten-month transition year for the period of March 1, 2018 to December 31, 2018. Subsequent to the transition year, the Company's financial year is the period January 1 to December 31.

Inter-corporate Relationships

The Company conducts its operations through its wholly owned and controlled subsidiaries, OneCloudCo Limited, CloudCo Solutions Inc., OneBridge Solutions Inc. and OneBridge Solutions, Inc. OneCloudCo Limited was incorporated in the State of Delaware, USA, on July 18, 2014. CloudCo Solutions Inc. was incorporated in Alberta, Canada on July 15, 2014. OneBridge Solutions Inc. was incorporated in Alberta on June 16, 2015. It provides software services to the oil and gas pipeline industry and it owns the net assets purchased from Bridge Solutions Inc. OneBridge Solutions, Inc. was incorporated in the State of Delaware, USA, on November 19, 2015 and it markets and sells access to and rights to use on a software-as-a-service ("SaaS") basis, the software-owned by OneBridge Solutions Inc. OneCloudCo and CloudCo were inactive as at December 31, 2019.

On January 1, 2020, CloudCo Solutions Inc. and OneBridge Solutions Inc. were combined through statutory amalgamation. The name of the new company is Onebridge Solutions Canada Inc. On January 1, 2020, ownership of Onebridge Solutions, Inc. was changed to OneCloudCo Limited from OneSoft Solutions Inc. The name of OneBridge Solutions, Inc. was revised to OneBridge Solutions Inc.

As at January 1, 2020 the Company's corporate structure is as follows. OneSoft Solutions Inc. owns 100% of the shares of OneBridge Solutions Inc, and OneCloudCo Inc. OneCloudCo Inc. owns 100% of the shares of OneBridge Solutions Inc.



DESCRIPTION AND DEVELOPMENT OF THE BUSINESS

Summary

OneSoft Solutions Inc. is a provider of software solutions for select markets, all of which are built using Microsoft's Cloud technologies. Its mission is to acquire, manage and build next-generation software businesses that will provide specialized, mission-critical cloud-based software solutions to address customer needs. OneSoft develops software technology and products that have the capability to transition legacy, on premise licensed software applications to operate on the Microsoft Cloud using Microsoft Business Intelligence software ("Microsoft BI") and Microsoft Azure Data Sciences functionality including Machine Learning and Predictive Analytics. OneSoft's business strategy is to seek opportunities to convert legacy business software applications that are historically cumbersome to deploy and costly to operate, to a more cost-efficient subscription-based business model utilizing the Microsoft Cloud platform and services, with accessibility through any internet capable device.

As of date of this Form, all commercial business operations were being conducted through the OneBridge Solutions entities. OneBridge Solutions Inc. is licensed to sell rights to access and use, on a software-as-a-service ("SAAS") basis only, the Company's products in the USA and select international markets. OneBridge Solutions Canada Inc. owns all the Company's intellectual property and sells rights to access and use the Company's products in Canada.

History of OneSoft Solutions Inc.

The Company began trading as a public company in 1997. It acquired Serenic Canada Inc. of Edmonton, Alberta on October 1, 2002, which sold payroll and human resource management software to users of Microsoft Navision within North America. The Company acquired Serenic Software Inc. of Lakewood, Colorado on July 1, 2004, and revenues grew organically to $12.0 million by 2013. Serenic Software (EMEA) Inc. was incorporated October 23, 2012 in England to foster sales expansion into Europe. On July 28, 2014, the Company sold Serenic Software, Inc., Serenic Canada Inc. and Serenic Software (EMEA) Limited (collectively, the "Serenic subsidiaries") to Sylogist Ltd. of Calgary, Alberta for cash of $8,155,777 of which it paid $6,837,506 to its shareholders.

Following the sale of the Serenic subsidiaries, the Company's name became OneSoft Solutions Inc. OneSoft retained the intellectual property and personnel associated with its cloud-based business operations, and it marketed cloud accounting solutions to not-for-profit organizations. On February 29, 2016, OneSoft sold the cloud accounting business assets with payment of the purchase price contingent upon certain revenue minimums being achieved from the business assets. These have not been reached to date and it is uncertain if any payment will be received.

On July 17, 2015, the Company acquired the business of Bridge Solutions Inc. ("Bridge"), a private Alberta company. Bridge had developed technology that assisted pipeline operators in optimizing their infrastructure management and in identifying potential threats to a pipeline's integrity. OneSoft, through OneBridge Solutions Canada Inc., acquired all rights, title and interest in and to the Bridge intellectual properties for an acquisition price of $818,077, paid by issuance of 11,733,024 OSS treasury shares.

Relationship with Microsoft Inc.

OneSoft's technological strategy is closely aligned with Microsoft, as OneSoft's management believes that Microsoft's action to promote its cloud platform as the global cloud platform of choice will have a significant influence on its future success. In December 2015, OneBridge was selected by Microsoft Accelerator, as one of nine companies from 721 applicants from 50 countries, to participate in Microsoft's first Accelerator program to focus on Machine Learning, Data Sciences and Big Data. Accelerator took place in Seattle from February 2016 to June 2016, wherein OSS fast-tracked the design and development of its products. Microsoft's decision to support the OneBridge project has been highly valuable to date and has included cash reimbursements, free use of software and services and collaboration with Microsoft's Oil and Gas sales field teams, who have introduced us to enterprise level prospective customers of which some are now our customers. Microsoft's support both during and after Accelerator consisted of business, sales and marketing mentorship, reimbursement of certain development expenses, and provision of free software and a credit of $500,000 for Azure usage fees. The Company had fully consumed the credit by July 2018.

OneBridge's status as Microsoft Accelerator alumni allows us the use of Microsoft's world-wide sales and marketing facilities and resources and includes a continuing collaboration on sales and marketing initiatives with Microsoft's specialized teams who sell to oil and gas pipeline customers. Our initial sales meetings with large prospective clients generally include Microsoft personnel who present the value proposition and confidentiality protections of the Microsoft cloud, which is highly important given the industry's prevailing attitudes on maximum secrecy and protection of their data. Microsoft is motivated to contribute resources and expertise because successful deployment of OneBridge's solutions has driven consumption of Microsoft's cloud platform and services and increased their cloud-based revenues, particularly in the oil and gas sector.

Product Line

The Company currently has one product group: software-as-a-service ("SaaS") solutions for the pipeline industry. These products are developed by its Canadian subsidiary, OneBridge Solutions Canada Inc. and marketed through its U.S. subsidiary, OneBridge Solutions Inc. to pipeline operators in North America and select international markets. In January 2017, its first pipeline SaaS solution was released to market for commercial use.

Consolidated Revenue

By Product Line:

	Year Ended December 31, 2019	Ten months ended December 2018	----------Year ended February -- 2018	2017	2016
	$	$	$	$	$
Pipeline software subscriptions	2,711,768	1,308,345	969,628	530,096	127,188
Software development contract	-	3,019,500	-	-	-
Other revenue	-	-	35,417	-	-
Accounting software	-	-	-	40,681	278,230
Total revenue	2,711,768	4,327,845	1,005,045	570,777	405,418

By Geographic segments:

	Year Ended December 31, 2019	Ten months ended December 2018	----------Year ended February---- ------ 2018	2017	2016
	$	$	$	$	$
USA	2,705,518	4,319,512	969,628	404,910	405,418
Canada	6,250	8,333	35,417	165,867	-
	2,711,768	4,327,845	1,005,045	570,777	405,418

Product

Cognitive Integrity Management ("CIM") is a software-as-a-service ("SaaS") application that uses the Microsoft Azure Cloud Platform and services including machine learning ("ML"), predictive analytics, business intelligence reporting and other data science components to assist pipeline companies to prevent pipeline failures. Fees charged to access and use the software are variable and dependent on key metrics such as the miles of pipeline data analyzed, number and type of pipeline assessments ingested, Azure usage costs and the functionality that clients choose to use.

CIM features revolutionary Pattern Detection and Interacting Threats algorithms to detect and report on threats to the pipeline's integrity. CIM was designed to ingest inline inspection ("ILI") pipeline data using a simple "drag and drop" routine after which the data is normalized, anomalies are aligned to prior ILI data sets, and predictive analytics calculates anomaly growth rates, resulting in detection of threats to pipelines. CIM provides advanced business intelligence, intuitive graphical presentations, dashboard reporting and natural data query language capability that enables operators to manage their pipeline infrastructure with more efficiency than legacy systems and processes that do not utilize cloud computing.

In December 2017, OneBridge entered into an agreement with Phillips 66 Company to migrate functionality from Phillips 66's PT-DMS internally-developed software applications to a cloud-based SaaS solution. This provided four new areas of functionality, as follows:

- Pipeline assessment planning, including enterprise level planning, scheduling and business intelligence;
- Regulatory compliance, wherein client compliance with US pipeline regulations can be shown through reports and information in CIM;
- Threat monitoring, for which actionable workflow and job information for every threat is identified;
- Business intelligence, comprised of data analytics, SQL reporting, 3D visualizations and dashboards with filtering and natural query language capability;
- A pipeline excavation management module to manage all aspects of digging and exposing a pipeline for repair and refurbishment.

CIM is designed to be scalable for global use by a wide range of pipeline companies, from small operators to very large organizations who manage extensive pipeline distribution networks. The commercial pricing model includes monthly fees at various levels for the use of it, based on the number of miles of pipeline operated, number of ILI assessments ingested, Azure usage costs and the fees charged for the specific functionality used.

Management believes CIM is a compelling, comprehensive, cost-effective and scalable integrated platform for both large oil and gas pipeline operators who use internal resources to manage their operational and integrity programs, as well as for smaller pipeline operators who engage outside consultants for integrity management services. Although OneBridge's primary and secondary focuses are currently the USA and Canadian markets, the products are all designed for global use.

Product Development

Product development is done in-house by our staff, several of whom are educated to the Master's and PH.D. levels, augmented by a contracted offshore development team. Development costs consist of staff salaries and contractual amounts paid to the offshore development team. Specialized skill and knowledge, especially in machine learning with its creation and application of data analysis algorithms and other data sciences and experience with the operations of pipeline integrity departments and other advanced computing techniques is required to develop our products. The Company employs data scientists, highly competent data base analysts and software developers who generate improved results through the creation and application of advanced algorithms and predictive analytics and dashboard reporting which reports the observations made of the pipeline data in an easy to use and attention-directing manner. The Company's internal staff has averaged 21.5 people over the last year and its offshore team consists of seven full time equivalents.

Our software solutions use numerous new cloud technology components that are relatively new and, as a result, our anticipated product release cycles and schedules are fluid and subject to delays and numerous risks. We will grow and evolve our products in accordance with our product roadmap which is based on our deep domain expertise regarding pipeline data management, continued incorporation of applicable components of Microsoft's cloud platform and services, and incorporation of customer input and feedback regarding product features and functionality they need to manage their pipeline assets as smart infrastructure. New versions of the solution are continually released: in 2019, the Company published 59 application releases during 2019 and 65 cumulative machine learning algorithm updates. 3,922 ILI assessments were ingested into CIM during 2019, resulting in the Company training its algorithms to detect and report on more than 150 pipeline excavation criteria, both regulatory and user suggested. More than 52 million features, across all data, have been analyzed to date. The Company also developed new tools to scale on-boarding of new clients. Management believes that on-boarding activities for one large client in 2019 that required approximately 7 months of time and manual efforts may be significantly reduced, due to the automation tools developed to streamline this process.

CIM SALES AND REVENUE GROWTH

History of On-boarding Early Adopter Clients

To understand potential future CIM adoption and sales, it is helpful to first review the evolution of CIM development and its adoption by clients to this point.

- Following OneBridge's participation in Microsoft's first Accelerator for Machine Learning and Data Science in the first half of 2016, we developed CIM as a prototype solution in Q3 of 2016. Phillips 66, a very progressive industry player, provided some ILI data to OneBridge to train CIM's algorithms. At that time Phillips 66 had developed and was using a comprehensive, Oracle-based, on-premise computing solution to address integrity management and regulatory compliance functions. Phillips 66 was somewhat unique in this respect, as most comparable operators (and most of our clients) had used only Excel spreadsheets, rather than data-based computer software applications to assess data associated with pipeline integrity management. Phillips 66 wanted to explore potential benefits of incorporating machine learning to improve their operational processes and decided to work with OneBridge as our first "beta" user of CIM. In late 2016, CIM detected threats that Phillips 66's internal system had not detected, so Phillips 66 undertook to excavate and inspect the anomalies detected by CIM that differed from their internally-generated "truth data". Following inspection and confirmation that CIM analysis was accurate as predicted, Phillips 66 provided data for 10,000 miles of their pipeline infrastructure and began commercial use of CIM, becoming OneBridge's initial "early adopter" customer.

- Phillip 66's commercial use marked the start of CIM revenue generation, commencing in January 2017. Initially, Phillips 66 used CIM in parallel with its internal software systems. By the end of 2017, Phillips 66 had a better understanding of the benefits of machine learning and incorporated CIM into its long-term strategy for integrity management processes. A multi-year SaaS agreement for CIM use was finalized in late 2017 and, as part of its digital transformation strategy, Phillips 66 subsequently decided to provide a copy of its internal Oracle software and associated intellectual property ("**IP**") to OneBridge, along with funding, to migrate Phillips 66's on-premise application to Microsoft's Azure cloud platform. Based on this new vision, two other pipeline operators agreed to join the 2018 development project as "private preview" users. OneBridge completed the cloud conversion of Phillips 66 IP and its integration with OneSoft's machine learning components in December 2018, following which Phillips 66 de-commissioned its Oracle on-premise solution and replaced it with CIM. One of the two private preview users also entered into a SaaS agreement in 2018 to use CIM, while the other private preview user delayed signing a SaaS agreement until 2019, pending the addition of new functionality that this operator required.

- Four more clients that had monitored the evolutionary progress of CIM and engaged in POC projects were added in 2019, including one of the industry Super-majors and a large Fortune 100 client operating more than

18,000 miles of pipeline infrastructure. All these clients were dependent upon Excel spreadsheets for their integrity management processes and had not embraced cloud computing. As CIM represented the first cloud application in 5 of our 6 clients, OneBridge was in the position of not only pioneering the adoption of CIM as a disruptive process to replace legacy systems and processes but also as an influencer of initial digital transformation processes for these clients.

Transition to On-board Mainstream Clients

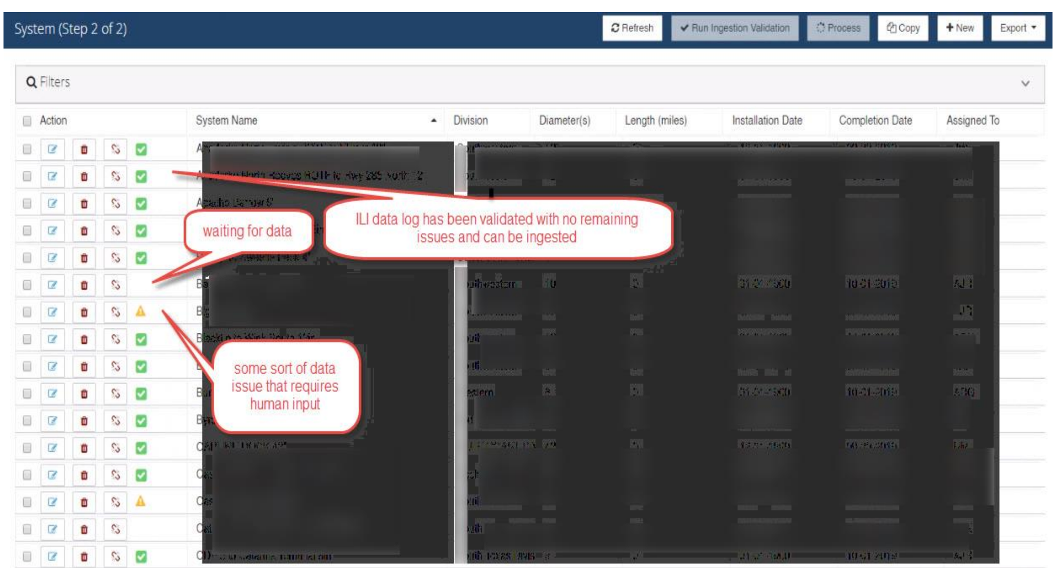
- When we first introduced CIM to prospective customers in 2017, digital transformation concepts were in their infancy within the oil and gas pipeline industry, except for a few companies that had interest in investigating and participating in cutting-edge technology projects. Some of these companies became our private preview customers, motivated by various factors. Phillips 66 had already embraced new technologies, including having participated in a prior machine learning project that was discontinued prior to involvement with OneBridge in late 2016. Our next five clients were motivated to engage for other company-specific reasons, with internal projects driven by different groups within their operations. The integrity management business units of our next three clients drove the CIM POC trials, private preview participation and subsequent CIM adoption, promoting their experiences to senior management and C-suite personnel within their organizations. For our last two clients, including the industry Super-major and 18,000-mile operator, decisions to engage with OneBridge were essentially driven by senior management and C-suite personnel, who wanted to explore digital transformation to improve upon legacy processes.

- The 18,000-mile client was particularly opportunistic, in that we had to develop tools and automated processes to on-board this client onto CIM. We can now use these tools and processes to automate onboarding for clients with little or no experience with integrity management software systems or cloud computing. Furthermore, this client had developed a comprehensive dig-management process that addressed logistics associated with choice of pipeline inspection gauge ("**PIG**") tools to be used, job and crew scheduling, and collection and cataloguing of inspection data following excavations and repairs. This new functionality set was developed and added to the CIM platform during Fiscal 2019, concurrently while this client and their extensive data sets were being loaded in CIM and new tools to automate on-boarding were being developed. Although on-boarding for this client required approximately 7 months, we believe that similar clients can now be on-boarded much more rapidly, due to the automation procedures that were developed while working with this client.

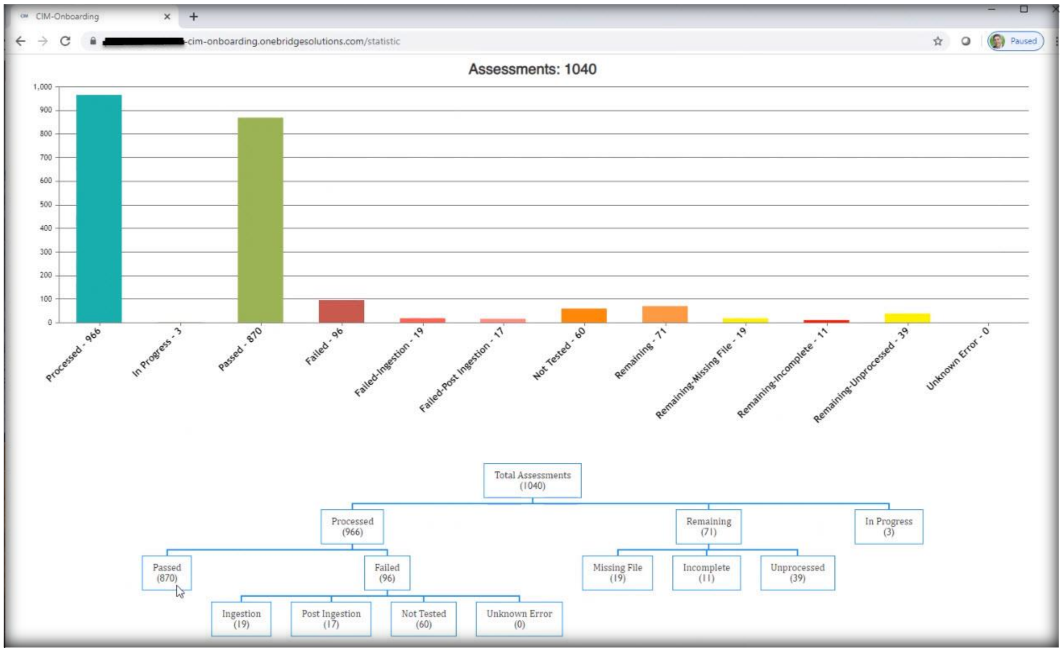
Tools to Scale Client Growth

- The following two charts provide a glimpse into the automation, management and dash-board reporting associated with data sets that are required to on-board large clients.

The following screen summarizes the status of each of the individual ILI datasets, which could number in the thousands, that need to be ingested and normalized prior to CIM analysis.



The following screen is an example of one of the dashboards that reports progress of the on-boarding process in real-time. OneSoft recognizes revenue when ILI assessments are fully ingested, as per contractual obligations, which then allows deferred revenue to be realized as earned revenue, or for the revenue to be otherwise paid.



Evolution of Sales and Marketing Strategies

The factors discussed in the prior section have impacted our sales processes which have historically varied from less than one year to more than three years. Although it is very beneficial for prospective clients to adopt CIM, given its advantages we believe exist over legacy systems and processes, we also understand that industry players are cautious and undertake extensive investigation and validation efforts before changing processes that have been used for decades. Our experience is not unlike that of others who are introducing disruptive new technologies.

In compiling our go-forward business plans and budgets, we now have more data and knowledge based on historic experience involving our current clients to make better assumptions regarding a multitude of factors we expect to encounter as we grow our business in Fiscal 2020 and beyond, including the following:

- We anticipate that we will continue to work closely and collaboratively with Microsoft cloud sales teams and integrity management, IT and senior management teams of prospective clients to continue establishing POC projects as a necessary precursor in most cases prior to signing long term SaaS agreements, until CIM becomes more accepted within the industry as the machine learning solution "standard".
- Consistent with history, we recognize that some of the POCs that will successfully conclude (i.e., we are able to demonstrate the high value proposition of CIM) may nonetheless result in cessation of the sales process, for various time frames and reasons. Topping this list is the fact that adoption of our CIM platform requires highly disruptive changes to processes that operators have used for decades, and operators are reluctant to make such changes until they are ready to embark upon such disruption, irrespective of potential risk/reward benefits. For example, some operators may require time to prepare to reorganize budgets and priorities that may be impacted because of unknown pipeline integrity threats that CIM might uncover. In most cases, the decision to adopt CIM typically involves collaborative investigation and buy-in of multiple departments within an organization, including the integrity management business unit and personnel from IT, legal, accounting, procurement, senior management and C-suite groups. Not surprisingly, coordination for meetings, investigation and decision making that must occur collaboratively amongst these groups takes time, particularly within large organizations.
- One prevalent factor that continues to impact CIM adoption is that integrity management teams are generally heavily consumed with day to day activities that take priority over investigation of new systems like CIM. It is not uncommon for POC projects to be postponed because integrity personnel are frequently called away to deal with higher priority situations or surprise regulatory audits, which typically require weeks of time for preparation and completion. In the case of one of our clients, the sales process was stopped for nearly a year prior to the client re-engaging and subsequently adopting CIM. The reality of the situation is that many of our prospective clients have insufficient time to complete their required tasks and concurrently allocate time and resources necessary to investigate CIM on a timetable that we would prefer. Regardless, we must remain

patient and persistent and have high confidence that our sales process will ultimately result in signing new clients.

- We also recognize and understand that our experience with our early adopter clients is somewhat different from what we expect to encounter with future early and late majority customers[2] that now comprise our sales pipeline. This group of prospective customers are, by definition, more reluctant to embrace change and new technologies than early adopters, until they become wholly mainstream for the industry.

  [2] (reference Technology Adoption Curve section on page 4 of our MD&A published January 23, 2019)

Based on what we have learned to date, we have pivoted our sales approach and processes as follows:

- We are working closely with Microsoft to identify and focus on companies that have initiated plans to pursue digital transformation within their organization. These initiatives are typically driven from the senior and C-suite management levels, who also are in the best position to understand the overall value proposition that use of the CIM platform can bring to the organization.

- We now attempt to commence the sales process at the senior management level rather than at the integrity management business unit, with the expectation that the sales process will have a better chance of success if driven downward from senior management rather than upward from the integrity management business unit. As was announced on February 18, 2020, subsequent to the year end, the Company hired a Houston-based seasoned oil and gas sales veteran as a new Vice President, Sales, whose role is to revamp our sales team and processes to support this strategy.

- Maintaining pipelines is very costly. The American Petroleum Institute ("**API**") and Association of Oil Pipe Lines' ("**AOPL**") published a report entitled "API-AOPL Annual Liquids Pipeline Safety Excellence Performance Report & Strategic Plan 2016" which stated that a group of energy companies spent more than $1.6 billion evaluating, inspecting and maintaining 207,800 miles of liquids pipeline during 2014, which equates to an average expenditure of $7,700 per mile of pipe. This report was updated in 2019, however, references to industry spend for evaluation, inspection and maintenance were omitted in the latest report.

  Whereas our historical CIM pricing to date (which has equated to approximately $100 per mile of data ingested) is inconsequential relative to these costs, it is important to note that our pricing strategy considered two other important factors that were necessary to launch our disruptive solution. Firstly, low pricing encouraged early adoption of our solutions by high profile clients, and secondly on-boarding these early clients provided access to the large data sets we required to train and evolve our proprietary algorithms and learnings, which would otherwise have been very difficult or impossible to source and aggregate.

  Our CIM platform is the industry's first (and only as far as we are aware) commercial SaaS application based on machine learning and data science to operate on Microsoft's cloud platform. We believe this first mover advantage positions CIM to entrench as the new-technology machine learning industry standard and, accordingly, become one of the fundamental pillars upon which oil and gas pipeline operators begin to pursue their digital transformation processes. We anticipate that these factors and the new functionality modules that will be developed in the future will justify increasing our pricing in the future, without market objection or pushback.

  Consider the following excerpt from the white paper on Digital Transformation Initiative, Oil and Gas Industry, published by the World Economic Forum, in collaboration with Accenture, which provides an encouraging outlook for digital transformation technologies like OneSoft's Cognitive Integrity Management***TM*** platform, currently targeted at the midstream market.

  > *Digital transformation in the Oil and Gas industry could unlock approximately $1.6 trillion of value for the industry, its customers and wider society. – This total estimated value from digitalization can further increase to $2.5 trillion if existing organizational/ operational constraints are relaxed, and the impact of "futuristic" technologies, such as cognitive computing, is considered (for which there is insufficient evidence to make a definitive value assessment at this time). – Digitalization has the potential to create around $1 trillion of value for Oil and Gas firms.*
  >
  > *Digitalization has the potential to create around $1 trillion of value for Oil and Gas firms. Of that amount, $580-$600 billion is expected to accrue to upstream companies, approximately $100 billion to midstream firms and $260-$275 billion to downstream companies.*

  To summarize this point, we believe our CIM platform can play a key role as our clients progress through their digital transformation strategies and thereby unlock operational and financial efficiencies that are not currently attainable with legacy technologies, and that we will be able to implement pricing strategies more closely aligned with the overall value that our CIM platform contributes.

- The Repair Fraction white paper that we presented at PPIM was the first of several studies that we intend to publish that relate to the high value of data-driven decisions for the industry. As these studies are completed and validated by our data and clients' experiences, we intend to incorporate the value metrics into our sales messaging. We believe that financial value metrics that are largely unknown today, once proven through sufficient data analysis, will become effective motivators to drive CIM sales decisions and endorsed by senior management and C-suite teams who are constantly seeking ways to improve efficiencies and financial results.

- The Pipeline and Hazardous Materials Safety Administration ("**PHMSA**"), the USA pipeline industry regulator, has published a new compliance rule (2019-20458) which is currently scheduled to take effect on July 1, 2020. This rule mandates two new key requirements for O&G pipeline operators that we believe will be beneficial to the Company's future opportunities. Firstly, all O&G pipeline operators will need to collect, interpret and manage more data, which we believe our CIM platform is well-poised to address for clients. Operators will need to demonstrate their capability to integrate data and justify business decisions based on such data integrations. Secondly, certain gathering pipeline infrastructure that was previously exempt from certain operating requirements will be required to comply with certain new PHMSA regulations when the rule takes effect, similar to what our current (mid-stream) clients are addressing with CIM. We believe these new compliance requirements will effectively increase our total addressable market ("**TAM**") within the U.S.A. and also motivate certain potential customers to accelerate their transition to new technology platforms like CIM to address digital transformation initiatives.

- To alleviate the shortage of resources typically experienced by our prospective customers to investigate and on-board CIM, we have also pivoted our process to reduce the work-load they would need to undertake to conduct POCs, including loading of sample data and set-up for clients who decide to adopt CIM. Using our new on-boarding tools it is now possible to automate these processes, with reduced distraction to their integrity management personnel. We anticipate that our efforts in this regard will enable prospective customers and clients to experience CIM's value proposition more quickly and less stressfully and ultimately assist to shorten sales cycles.

- Implementing these new onboarding techniques enables OneBridge to load significantly more data for POC projects than were typically used in prior POC projects. The more data that is processed by CIM in evaluation POCs, the better information the prospective customers have to make buying decisions. We intend to pursue our "land and expand" strategy, wherein the objective is to put CIM to actual use within an operator as quickly as possible, even for only a small segment of their pipeline infrastructure. This might involve, for example, on-boarding CIM for a particular pipeline that may be problematic, or one that is undergoing a pipeline restoration project that has already been planned and budgeted. In some of these cases, the decision to implement CIM as part of this type of special project might bypass the usual corporate requirement to undertake the full CIM validation process that typically requires many months to work through. One such scenario was commenced in early 2020, wherein a 10,000-mile operator agreed to trial CIM for a 1,000-mile restoration project, with a view to repeat this for a subsequent 1,000-mile project. We believe this "land and expand" strategy can enable us to engage a new client in a shorter time frame, without first wading through the full CIM validation and adoption process by the customer that would otherwise take many months to complete.

Fiscal 2020 Revenue Components

Fiscal 2020 revenue expectations and projections have been determined based on sales process and revenue ramp-up factors we experienced as a result of having conducted sales and on-boarding activities during the past two years. The Company's revenue is derived from three sources:

- Annual Recurring Revenue ("**ARR**") revenue buckets include the following:

  - Data-mile Subscription Fee. Some clients may choose a pricing model wherein the CIM monthly usage fee is charged per mile of ingested pipeline data. In this alternative, the Subscription, New and Historic ILI Log Ingestion Fees described below are not charged.

  - SaaS Subscription Fee. This monthly fee is fixed to the client once set based upon the total number of pipeline miles under management by the operator. This fee provides the client with 24/7 access to a base of commonly required functions within CIM.

  - ILI Log Ingestion Fee. Clients pay a fee for each ILI data set ("**Log**" or **"Assessment"**) uploaded to CIM. Clients pay reduced fees to ingest historic ILI Logs, as compared to new/current ILI Logs. We anticipate that most historic ILI logs will generally be loaded in the first 12 to 18 month's use of CIM and generate a temporary rise in revenue during this time. ILI Log ingestion fees are recurring but variable in timing and by number of Logs processed, in that clients typically run tools through (i.e., "**PIG**") their pipelines on regular schedules so as to inspect their full infrastructure over a few years, and in any event within the five or seven year requirement as mandated by U.S. regulators. For example, an operator that is required to inspect 10,000 miles of pipeline on a five-year schedule might PIG 2,000 miles of pipeline each year. Assuming an average of 30 miles per PIG run, the client would therefor expect to load 67 New ILI Logs into CIM each year on average, which represents recurring revenue for the Company.

From the client's perspective, ingestion of historic and new ILI Logs enables CIM to perform "pit-to-pit" alignment of features (i.e., matching of points of corrosion and other anomalies detected by inspection tools over multiple PIG runs) and thereby track historic growth of anomalies from which future failure points can be predicted. From OneBridge's perspective, each log ingested into CIM provides new learnings which are continually incorporated into and reiterate enhancements of our proprietary machine learning algorithms. It is highly advantageous for both the client and OneBridge to load both historic and new ILI Logs, as they serve to provide more extensive data for better predictive analytics.

- Microsoft Azure fees are charged where clients choose to use OneBridge's Azure subscription rather than their own to host CIM. This monthly fee is based on the costs of OneBridge's Azure subscription costs and staff time required to manage the subscription.

- Specialized Functionality Module Fee. The Company has adopted an "Economic Consumption" revenue model wherein clients can access new modules of functionality for additional fees. For example, the Company is developing a "Repair vs. Replace" module, that operators can use to compare the economics of repairing a segment of pipeline over time versus replacement of that segment with new pipe. CIM can make this determination with two operator-provided variables– the cost of excavation and repair per dig, and the cost of removal and replacement with new pipe. Because CIM tracks and predicts a future failure date for each individual anomaly, the aggregation of anomalies that represent threats to failure can be isolated to specific segments of pipe, thereby enabling a data-driven decision whether repair or replacement is more economical. Another example is a module that specifically identifies interacting threats, such as a crack anomaly overlaid upon a dent anomaly, which may require specific remedial action. Such Specialized Functionality Modules are not typically required regularly by operators but can be accessed on an as-required basis for additional fees.

- Other Revenue includes the following buckets:

  - Proof of Concept (Pilot) ("**POC**") Project Fees. In some cases, the Company may invoice prospective clients for costs associated with CIM trial use including data cleansing services and reimbursement of Azure computing costs. Microsoft may pay a portion or all of a particular POC Project Fee, depending upon certain factors as determined by Microsoft.

  - Services Fees. Services Fees include various billings associated with on-boarding of clients such as data cleansing, loading of Logs, training, project management and other CIM-associated work.

  - One-time Projects. With the establishment of the OneBridge Innovation Lab as announced on February 13, 2020, future revenue may be generated by one-time development projects that could supplement the Company's IP. An example of this is the Company's migration of Phillips 66 IP to operate on Microsoft's Azure cloud platform which completed in December 2018.

MANAGEMENT FOCUS IS REVENUE GROWTH

Management believes that increased Company and shareholder value will be achieved by adding new clients; growing revenues, (particularly ARR) and increasing our competitive moat by leveraging Innovation Lab projects to advance our IP.

We subscribe to the approach used by many professional investors and strategic buyers to value a SaaS company, such as those documented by ***SaaS Capital™***, a U.S.-based organization that manages several investment funds that exclusively finance growing SaaS companies by providing recurring revenue credit facilities. SaaS Capital monitors and assesses various metrics of their "SaaS Capital Index" comprised of 50 large public SaaS companies, and also approximately 60 small (including early stage) portfolio SaaS companies followed by SaaS Capital***™***. As documented in their featured publication, "*What's Your SaaS Company Worth?*" their basic premise is public SaaS company values are driven by revenue while other businesses' value is based on EBITDA or net income metrics. They contend a SaaS company's net income takes a long time to materialize due to the initial expenses required to grow revenue. For example, sales and marketing expenses are incurred upfront and the revenue they generate is earned over many years. This "lag" typically makes new customers unprofitable in the short term, even though they are expected to be profitable over the long term. In rapidly growing SaaS businesses, new, temporarily unprofitable customers combined with large sales and marketing expenses overwhelm the gross margin from the current customers to typically make net income negative. If the business did not focus on revenue growth, it could cut back expenses, retain its current customer base and presumably be profitable and generate cash. The alternative is to focus on growth and continue to invest in marketing and sales until the contribution of the much larger customer base pays all expenses making the company profitable. SaaS Capital points out that even for the largest SaaS businesses today, there is little relationship between profitability and valuation. For these reasons, SaaS company investors that agree with these valuation factors believe that revenue and revenue growth is a better indicator of long-term positive cash flow for a SaaS business than net income or EBITDA.

As documented in the above referenced publication SaaS company values range widely, from approximately 3x to 25x revenues (the "Revenue Multiple"), dependent upon various valuation factors that are considered when estimating SaaS company valuations, including the following:

- Growth and Scaling of Revenue. This factor encompasses the amount of revenue, how long it will take to increase, and how likely revenue growth is to occur. According to SaaS Capital's analysis, SaaS companies with up to $3 million in ARR need to achieve year over year ("**YOY**") growth of at least 50% to receive the average revenue multiple valuation, and growth rate above 75% YOY could elevate valuation multiples if accompanied by a verifiably large addressable market.

  For SaaS businesses in the $3 to $10 million range, a growth premium will become relevant above 40% year over year growth, and growth of 50% YOY or more could see premiums to the revenue multiple.

- Market Size. Quantifying Total Addressable Market ("**TAM**") size is another key valuation factor in determining a SaaS company's valuation multiple. Generally, TAM impacts the valuation equation as a negative factor if market size is small.

- Revenue/Customer Retention. This is a significant driver of value because it touches upon all the key factors that impact future cash flows of a SaaS business. High retention increases revenue growth rate and improves profitability and revenue predictability, thereby reducing perceived risk.

  Because customer retention is also cumulative, small changes in customer churn could have a significant impact over time. SaaS Capital published several reports and a white paper on SaaS company retention rates, from which they conclude that using 2019 valuation multiples, a 1% increase in retention should equate to a 15% increase in value over five years, because better retention both improves a company's growth rate and also results in higher revenue over time. They note that these two factors are already incorporated in the company's valuation multiple but increase if retention rates exceed those of peer comparable companies.

- Gross Margin and Revenue Mix. Gross margin indicates the potential profitability level of the business per dollar of revenue when it reaches a more mature phase, and also determines how much cash a company can reinvest back into sales, marketing and product development, i.e., the capital efficiency of the business. For these reasons, the lower the direct cost of goods sold ("**COGS**") required to deliver a SaaS revenue stream, the more valuable that revenue is deemed to be. The average SaaS Capital Index gross margin reported in the publication is 73% for public companies, with COGS that include professional service, hosting, personnel customer support and success, and all other costs associated with deploying the solution. Deviations from this average COGS percentage can adjust the Revenue Multiple positively or negatively.

- Customer Acquisition Efficiency and Unit Economics. Customer acquisition cost ("**CAC**") ratio is calculated by dividing new ARR from new customers by the sales and marketing spend to acquire those customers – i.e., how much annual revenue is generated for each dollar invested in sales and marketing. SaaS Capital's 2019 survey yielded a CAC ratio of 78%, meaning each dollar of sales and marketing spend generated 78 cents of ARR, or a monthly payback period of 15.4 months (calculated as 12 months divided by .78). From a valuation perspective, companies that are inefficient at acquiring new customers and have a CAC ratio below 60% are valued less, and those that are efficient and have a ratio above 1.2 are valued higher per dollar of revenue.

- Profitability. Although profitability does not play a substantial role in the valuation of a SaaS business, there are some scenarios in which its impact is potentially significant – for example, profitability becomes relevant to valuation when combined with slow growth, as future cash flows from a business that is both unprofitable and slow-growing are difficult to quantify.

- The Balance Sheet. Valuation is adjusted by balance sheet considerations, including cash balances and debt obligations. Deferred revenue, a balance sheet item typically associated with SaaS, deserves separate consideration. Some valuators may argue that deferred revenue represents cash that has already been collected and should therefore should not be considered in future cash flows. An opposing view argues that (a) if the business grows or maintains current revenue levels deferred revenue will never be “repaid”, thus is part of the normal working capital equation of the business and is actually a source of cash if the business grows; and (b) to satisfy the deferred revenue “liability” the company merely needs to provision the services, not pay cash out as would be required to retire a bank loan or most other long term liabilities.

- Other Valuation Drivers. In reality, a myriad of other factors that are company-specific and difficult to quantify can impact valuation multiples, including varying perceptions of the business by various followers; whether a company is a leader in its space; the experience of the management team; and technological advantage and competitive moat.

OneSoft’s estimated metrics for some of the SaaS valuation factors discussed above are summarized in the following chart, for the 10-month period ended December 31, 2018 and for Fiscal 2019. Note that OneSoft records royalty expense from the use of third-party software in its COGS, which is an expense not specifically mentioned in the SaaS Capital publication.

Metrics Considering SaaS Factors Described in *Fiscal 2020 Revenue Components* section above	**YE Dec 31/19**	**PE Dec 31/18**
Revenue as reported in Fiscal 2019 Financial Statements	$ 2,711,768	$ 4,327,845
Fiscal 2019 Revenue categorized as per ***Fiscal 2020 Revenue Components*** section		
Annual Recurring Revenue ("ARR")	$ 2,460,330	$ 1,093,690
Other Revenue	$ 251,438	$ 214,655
Software development project Revenue	$ -	$ 3,019,500
Total Revenue	$ 2,711,768	$ 4,327,845
Direct Costs	$ 701,739	$ 185,183
Direct Costs as % of ARR and Other Revenue (excludes Software development revenue)	26%	14%
Gross profit as % of ARR and Other Revenue (excludes Software development revenue)	74%	86%
ARR as % of Total Revenue	91%	25%
ARR Growth - Fiscal 2019 compared to 10 month period ending December 31 2018	125%	*n/a*

BUSINESS OUTLOOK

Management believes that Fiscal 2019 was a successful year for OneSoft, from both operational and corporate perspectives. We doubled annual recurring revenues from 2018 (10 months) to 2019 (12 months), tripled our client base, developed new software functionality that increased our credibility and footprint in our market and developed tools to scale and automate the on-boarding of future clients. We also strengthened our balance sheet through a capital raise, enabling the Company to capitalize on its first mover advantage and increase our competitive moat. The combination of $10.5 million of cash and short-term investments on hand at Fiscal 2019 year end, no debt, $8.2 million in working capital, increasing and sticky annual recurring revenues and a strong sales pipeline collectively serve to support the Company’s growing future opportunities and reduces risk for shareholders as the business matures.

Based on the comprehensive validation processes conducted by high-profile clients who on-boarded in 2019; communications with prospective customers who are currently investigating or engaged in POC trials; and numerous interactions with other industry professionals and vendors, we believe that awareness and credibility of our Company and Cognitive Integrity Management (“CIM”) platform are continuing to gain momentum within the U.S. oil and gas pipeline industry. Management is focusing efforts to meet Fiscal 2020 objectives as follows.

From a revenue and sales perspective:

- Our highest priority in 2020 is to sign new clients in pursuit of our “land and expand” growth strategy, as this effort will serve to increase our data ingestion and iterations of our algorithms, expanding our foundation and opportunity to increase revenues over the longer term.

- We anticipate that annual recurring revenue will again double year over year in 2020, as a result of some of our current clients increasing use of our solutions by on-boarding their regional affiliate operations, and through addition of new clients.

From a research and development (“R&D”) perspective:

- With respect to maintaining our technological lead and competitive moat with machine learning IP, we intend to continue research and development of new modules for our CIM platform to increase our footprint of functionality that will support pipeline operators’ requirements and initiatives as they pursue digital transformation strategies.

- To supplement our internal R&D efforts we intend to seek collaborative joint projects for our Innovation Lab with select clients, industry associations and third party industry vendors, to identify new synergistic white space opportunities to augment our intellectual property based on leveraging our machine learning, data science and cloud computing expertise.

- We intend to continue to aggregate big data to advance our algorithms, increase our database of learnings for the industry and investigate potential new alternatives to monetize such learnings.
- Based on our investigations at PPIM in February 2020, we believe we still have no direct competitors for our machine learning, cloud-based solution, and our strategies and efforts will achieve our objective of increasing our competitive moat.

From a corporate perspective:

- We intend to improve awareness of our Company and opportunity with U.S. investors by increasing our participation in various investor and industry conferences, road show events and other initiatives targeting potential investors who pursue artificial intelligence; machine learning; SaaS; and environmental, social and governance—associated investments in microcap companies.
- Management will continue to operate the business with a strong focus on increasing shareholder value, by advancing the Company's intellectual property and addressing the multiple factors that tend to enhance value for SaaS companies.

Potential Business Disruption Due to Volatile Oil Price and Covid-19 Virus

Although it is difficult to predict future scenarios that OneSoft may need to contend with in Fiscal 2020 as a result of the depressed oil price and Covid-19 virus epidemic, we believe the Company is well-positioned to deal with unusual business disruption that started to unfold in early 2020.

- With respect to depressed oil prices, our clients are midstream pipeline operators whose business is to transport oil and gas products and typically operate under long term contractual commitments based on fixed fee pricing for transporting products rather than pricing that fluctuates with the price of oil or gas. Product throughput must continue regardless of oil pricing volatility and assured revenues justify continuance of our clients' integrity management and digital transformation strategies. Unlike upstream companies (oil and gas producers) whose capital and operating expenditure budgets are closely linked with the price of oil and gas, we anticipate less disruption to our business with midstream clients as a result of volatile commodity pricing. Furthermore, PHMSA regulations that mandate periodic collection of ILI data for U.S. O&G pipeline infrastructure are still required, and it is possible that we may even benefit as a result of industry financial concerns if customers potentially accelerate their investigation and adoption of more efficient and cost-effective methodologies to improve financial operating metrics, which we believe our solutions deliver. As well, new PHMSA rules that are scheduled to be effective July 1, 2020 should not only reduce the risk of pipeline disruption but also expand our U.S. addressable market.

- With respect to Covid-19 most of our clients and prospective customers have by now implemented policies to minimize potential negative effects to operations, which impact travel and access to their employees for meetings. While face to face meetings with clients and prospective customers are currently restricted, we are well positioned to conduct meetings using on-line and video conferencing tools instead. Our Company has operated with remote home-based employees rather than from a centralized office environment since 2015. As a result, we do not anticipate slow-down of product development or expect material negative disruption to service our clients, as we are insulated from the potential quarantine and work stoppage scenarios that currently face businesses that use conventional office environments.

The extent of potential business disruption in Fiscal 2020 cannot be known with any degree of certainty. At this point in time, and given the information we have today, Management anticipates that business fallout from these factors will be disruptive for at least part of 2020, but not overly threatening to the Company's longer-term business and outlook and we intend to closely monitor the situation and adjust as necessary as events unfold.

Fiscal 2020 Outlook

Given the Company's priorities to focus on adding new clients, increasing data ingestion and analyses to augment our learnings database and accelerating new product development to increase our competitive moat and future opportunities, we expect to incur operational losses in 2020. Following the ramp-up of resource allocations to pursue these growth initiatives in 2019 the Company's cash consumption in operations before the effect of changes in working capital accounts was $2,535,359, or an average of $633,840 per quarter. This cash consumption was offset by the generation of $2,711,126 cash from working capital accounts, of which $991,324 arose from deferred revenue as customers prepaid next year's subscription to use CIM. Management believes they can, in part, finance a portion of the 2020 operational cash consumption in a similar manner.

Management's current expectation, based on our sales pipeline, is to double revenue in Fiscal 2020 over the prior year, providing purchase decisions are not postponed due to unforeseen industry budget curtailments resulting from the commodity price volatility and Covid-19 disruptions. If such disruption were to occur, we believe the worst-case scenario will be a delay in achieving our objectives until more normal business conditions prevail. We also believe that such disruption would delay development funding for potential competing solutions, so our competitive moat will not be at risk until business conditions normalize again. In any event, we will continue to enhance our solutions and build stronger value for our Company and investors, and given the Company's $10.5 million cash and short-term investments balance and current cash burn rate, we believe the Company is well-funded to pursue our business and strategies.

Competitive Conditions

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. Long sales cycles aid our competitive moat, which we believe is likely to increase, for several reasons:

- We believe that future 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 embark on 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 timeline 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 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. Should a large competitor with significant resources be intent on competing with a machine learning solution, we believe it will likely be more advantageous for such a party to acquire our business, even at a premium price, rather than embark on such an extensive project that will take time to execute.
- Replacing legacy systems with new technology is very disruptive and clients will be reluctant to investigate and pursue changes unless future benefits and advantages are clearly evident and strongly warranted. This situation effectually thwarts new potential competitors from entering the marketplace, as OneSoft initially experienced. Being first to market with a machine learning cloud solution, buttressed by the market credibility and traction we have gained to date, has greatly 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.

OneBridge also leverages, when feasible, Microsoft's presence when doing sales calls. We believe Microsoft provides additional credibility and particularly assurance of data safety and protection to pipeline companies who may have very significant concerns about maintaining the confidentiality of their pipeline data. Microsoft is motivated to collaborate with OneBridge to engage new customers, as adoption of OneBridge solutions drives consumption and revenue for Microsoft's cloud platform and services. We are not aware of any competitor who is as closely linked to Microsoft in this way, to derive the strategic benefits that a partner of this magnitude and capability provides.

Intangible Properties

CIM was developed solely by the Corporation and no royalties are due to other companies for use of the underlying software. It uses, in part, the proprietary software of Phillips 66 Company and it is committed to pay minimum royalties of U.S. $2.25 million over a ten-year period ending December 20, 2027 based on the revenue earned from the components of CIM that uses elements of the Phillips 66 intellectual properties contained with it.

The Company has trademarked the phrase "Flow Forward" and the phrase "Cognitive Integrity Management" is also similarly protected having been placed on a secondary schedule of the Patent Office.

Business Cycles

Pipeline failures are very expensive to remediate and damaging to pipeline operators' reputation and therefore pipeline operators are highly motivated to avoid them. Pipelines are in use continuously all year generating corrosion and other threats which must be continually addressed. Additionally, industry regulation stipulates the frequency of when pipelines must be pigged and timing of the analysis of data for the existence of threatening conditions which could lead to failure. The Company's products are used by pipeline companies to identify anomalies in their pipelines, predict potential failures, optimize refurbishment schedules and to assist complying with rigorous pipeline operating standards for which non-compliance is financially punitive. The Company believes the utility of its software in all these matters will encourage clients to use the software continually all year it has been adopted and to pay regular monthly payments. Given this, the Company believes it products will result in revenue generation that is neither cyclical nor seasonal.

Changes to Contracts

As at the date of this document, certain clients were using CIM after having signed long-term commercial contracts. Several customers have signed pilot program contracts which may convert to long term commercial contracts after the pilot program has completed. The discontinuance of these relationships would affect the Corporation's planned revenue generation; however, our sales and marketing teams are actively promoting the use of the CIM solutions and other parties have expressed interest in adopting these products for their use.

Environmental Protection

There are no environmental protection regulations which would affect the normal day to day operation of the Company. Externally, the Company's clients must continually take affirmative action to comply with ever increasing pipeline regulations designed to protect people and the environment and to maintain their pipeline assets to prevent failures, which could be affected by environmental change. In this regard, the Company is a benefactor from environmental change and increasingly strict regulations designed to enhance protection of the environment.

Employees

As at December 31, 2019, the Company employed 22 people. The Company also employs additional staff through a subcontractor arrangement it has with an offshore software development firm.

RISKS AND UNCERTAINTIES

OneSoft is subject to business and economic risks including:

OneSoft's business may be disrupted due to volatile oil prices and Covid-19 Virus pandemic

OneSoft business operations may be disrupted by the currently depressed oil price and the Covid-19 virus epidemic that emerged in early 2020. Prolonged low oil and gas prices could negatively impact our clients' business operations and result in curtailed capital and operational expenditures, including delay or cancellation of investments to replace currently used integrity management processes and technology. This could reduce OneSoft's opportunities to sell its solutions.

With respect to ongoing Covid-19 virus pandemic, business disruption is expected to be significant for our clients and prospective customers for some unknown period of time. Our clients and prospective customers have recently implemented policies to mitigate potential employee health risks by having employees work remotely rather than in company offices, restrict business travel and reduce face-to-face meetings with vendors. While we can conduct sales meetings with prospective new customers and service existing clients using telephone, on-line and video conferencing, these communication alternatives may not be effective in engaging new customers, which could result in delayed purchase decisions and expansion of current business projects. This could delay sales and growth in sales to new customers and current clients, respectively. The extent or timeframe of this business disruption cannot be known with certainty at this time.

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. 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 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 machine learning, cloud and data science technologies, is undergoing rapid and constant change, and new technologies, equipment and processes 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. While 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 marketplace. 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.

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 enough numbers by customers. Any of these factors may cause the Company to not pursue the development and sales of its planned products, or not 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

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 products 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. If the general market acceptance of our new products is too slow to develop, OneSoft may have to be financed by investors with additional capital until cash generated by operations renders OneSoft into an economically viable company. Funding initiatives may be highly dilutive or may be disadvantageous to current shareholders in other ways.

Risks regarding a patent of the Company's intellectual property and 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; however, the Company may or may not be successful in being granted a patent or patents should it apply for them and effective trademark protection may not be available for the Company's intellectual property, trademarks or the trademarks licensed by it. 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 and 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 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, multi-factor authentication, the use of personal IDs and passwords and other means to prevent unauthorized access. The Azure platform is continually tested by Microsoft and it is always in compliance with the very latest and highest level of computer industry security certifications and Microsoft provides guidance to its customers to allow them to adopt these same protections and comply with very high cyber security standards. 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 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.

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 despite insurance policies we carry to protect against such damaging costs, 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, 2019	December 31, 2018
Financial assets	**$**	**$**
Cash and cash equivalents	6,965,916	2,015,428
Short term investments at amortized cost	3,546,123	-
Trade and other receivables	52,949	157,617
	10,564,988	2,173,045
Financial liabilities	**$**	**$**
Accounts payable and accrued liabilities	767,647	706,854

Measurement of fair value

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

Financial instrument risks

Risk management objectives and policies

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

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

Foreign currency sensitivity

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

The Company has a natural hedge to foreign exchange risk as the majority of its revenue and expenses are being transacted in foreign currency and the uncertainty of timing between collections and disbursements is managed by its ability to maintain cash balances in the currency and country of the Company's choice.
The Company had the following monetary assets and liabilities denominated in US dollars included in its financial statements.

	December 31, 2019 $ (USD)	December 31, 2018 $ (USD)
Cash and cash equivalents	804,412	1,140,785
Trade and other receivables	30,967	1,279,382
Accounts payable and accrued liabilities	(165,421)	(181,748)
Total exposure	669,958	2,238,419

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

It assumes a +/- 10% change of the $/USD exchange rate for the year ended December 31, 2019 (year ended December 31, 2018 - 10%). This percentage was determined based on the average market volatility in the exchange rate in each reporting period. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and considers forward exchange contracts that offset effects from changes in currency exchange rates.

Strengthening or weakening of the Canadian dollar against the USD by 10% (December 31, 2018 - 10%) would have had the following applicable positive or negative impact on net (loss) income:

	Profit	Equity
	$	$
December 31, 2019	8,115	8,115
December 31, 2018	4,102	4,102

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

Interest rate sensitivity

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

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (December 31, 2018: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. As of December 31, 2019, approximately 92.8% (December 31, 2018 – 92.2%) of the Company's cash balances were held in interest bearing bank balances and fixed interest rate GICs.

	Profit	Equity
	$	$
December 31, 2019	73,257	73,257
December 31, 2018	20,954	20,954

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, 2019	December 31, 2018
	$	$
Classes of financial assets - carrying amounts:		
Cash and cash equivalents	6,965,916	2,015,428
Short-term investments	3,546,123	-
Trade and other receivables	52,949	1,756,177
Carrying amount	10,564,988	3,771,605

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

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

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

The aging of accounts receivable was:

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

			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

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

Liquidity risk analysis

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

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

The Company's financial liabilities are short-term in nature and payment is due within one year. Financial liabilities outstanding were December 31, 2019 - $767,647 (December 31, 2018 - $706,854).

The Company considers cash flows from financial assets of $10,564,988 (December 31, 2018 - $3,771,605) in assessing and managing liquidity risk. The Company's existing cash resources and trade receivables exceed its current cash outflow requirements. Cash flows from trade and other receivables are contractually due within two months.

SIGNIFICANT ACQUISITIONS

The acquisition of the assets of Bridge Solutions Inc. on July 5, 2015 described on page 5 of this document was a significant acquisition by the Company although disclosure was not required by the Company pursuant to Part 8 of National Instrument 51-102. There have been no acquisitions since the Bridge acquisition.

DIVIDENDS AND DISTRIBUTIONS

The directors of the company have the discretion to declare and pay dividends on any class or classes of shares or any series within a class of shares issued and outstanding, subject to any rights, privileges, restrictions and conditions which the directors may have attached to a series of preferred shares and subject to corporate and security laws.

Following the sale of the Serenic subsidiaries, on August 29, 2014, $3,950,559 was paid to shareholders as a return of capital. On September 12, 2014, $2,886,947 was paid to shareholders as a dividend. No further distributions nor dividends have been paid since that date. The Company's current policy is not to pay dividends in order to retain cash to grow the business.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares with no-par value and an unlimited number of preferred shares with no-par value.

Common Shares

Holders of common shares are entitled to one vote per common share at meetings of shareholders of the Company, to receive dividends if and when declared by the board of directors and to receive pari passu the Company's assets upon the winding-up, liquidation or dissolution of the Company, subject to the prior rights and privileges attaching to any series of preferred shares of the Company.

Preferred Shares

The authorized preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. Holders of preferred shares are not entitled to receive notice or vote at any general meeting of the Company. The shareholders have equal rights on dissolution, liquidation, winding-up or other distribution of the Company's property among its shareholders for the purpose of winding-up its affairs.

Shares Outstanding

On April 9, 2019, the Company entered a bought deal stock offering with Clarus Securities Inc., Beacon Securities Inc and Cormark Securities Inc. and issued and sold an aggregate of 11,500,000 commons shares at a price of $0.80 per share. The gross proceeds from this offering was $9,200,000. As at March 24, 2020 the total number of common shares outstanding was 113,810,813, each entitled to one vote.

Associated with the stock offering, the Company issued 600,000 stock warrants to the underwriters as part of the underwriting compensation. Each stock warrant can purchase one common share at a price of $1 per share. As at March 24, 2020, none of these stock warrants were exercised. The expiration date of these stock warrants is April 25, 2020.

As at March 24, 2020, the Company had issued stock options to purchase up to 9,300,001 common shares at a weighted average strike price of $0.34.

There were no preferred shares outstanding.

Additional information on the capital structure of the Company can be found in the audited financial statements for the year ended December 31, 2019 filed on SEDAR at www.SEDAR.com.

Exercise of Share Purchase Warrants and Stock Options

During the year ended December 31, 2019, employees exercised 416,666 stock options for an equal number of common shares at various prices from $0.10 to $0.23 generating $76,000 cash to the Company.

Market for Securities

The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "OSS" and on the U.S. OTCQB Venture Market under the symbol "OSSIF".

The following table presents the monthly price range and volume traded of the Company's common shares on the TSX Venture Exchange for each month from January 2018 to December 31, 2019.

Year	Month	Share Prices			Share
		High	Low	Closing	Volume
2018	Jan	$ 0.40	$ 0.20	$ 0.34	2,769,739
	Feb	$ 0.38	$ 0.27	$ 0.33	8,081,431
	Mar	$ 0.63	$ 0.33	$ 0.46	7,287,966
	Apr	$ 0.50	$ 0.38	$ 0.47	2,071,338
	May	$ 0.49	$ 0.39	$ 0.39	822,221
	Jun	$ 0.47	$ 0.38	$ 0.47	1,455,527
	Jul	$ 0.51	$ 0.41	$ 0.41	1,177,820
	Aug	$ 0.46	$ 0.36	$ 0.41	1,163,120
	Sep	$ 0.58	$ 0.35	$ 0.56	1,246,402
	Oct	$ 0.62	$ 0.48	$ 0.51	2,321,661
	Nov	$ 0.54	$ 0.46	$ 0.49	514,738
	Dec	$ 0.50	$ 0.45	$ 0.47	497,028
2019	Jan	$ 0.64	$ 0.48	$ 0.59	2,350,052
	Feb	$ 0.72	$ 0.56	$ 0.68	2,707,023
	Mar	$ 1.03	$ 0.67	$ 0.92	7,164,921
	Apr	$ 0.96	$ 0.79	$ 0.84	3,201,446
	May	$ 0.94	$ 0.83	$ 0.80	4,559,543
	Jun	$ 0.84	$ 0.69	$ 0.67	1,382,228
	Jul	$ 0.72	$ 0.66	$ 0.70	1,928,243
	Aug	$ 0.83	$ 0.68	$ 0.77	2,329,242
	Sep	$ 0.79	$ 0.65	$ 0.64	653,486
	Oct	$ 0.68	$ 0.59	$ 0.60	1,274,935
	Nov	$ 0.70	$ 0.60	$ 0.60	1,148,127
	Dec	$ 0.62	$ 0.59	$ 0.60	944,234

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

Designation of Class	Number of Securities held in escrow or subject to a contractual restriction on transfer	Percentage of Class (%)
Common Shares	nil	nil%

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of the directors and executive officers of OneSoft, the province and country of residence, the position held by such director or officer of the Company, their principal occupations for the five preceding years, the period for which each has been a director of the Company, and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised. The term of office of each of the directors expires at the next annual general meeting of the shareholders.

Name, Province and Country of Residence	Position and Year First Elected as Director	Principal Occupation During Past Five Years	Common Shares Owned or Controlled Directly and Indirectly as at December 31, 2019,
R. Dwayne Kushniruk (1) (2) Edmonton, Alberta Canada	Director, January 2000	Chief Executive Officer of the Corporation since August 1, 2014 prior to which he was Chairman and Director of Business Development of the Corporation	11,506,000 (10.1%) (3)
Ronald Odynski (1) (2) Edmonton, Alberta Canada	Director, February 1998	Managing Partner of Ogilvie LLP in Edmonton.	3,820,473 (3.4%)
Randy Keith Alpharetta, Georgia USA	Director, March 2008	Business consultant March 2019 Previously, Chief Executive Officer and Director of Profitkey International, Salem, N.H. June 2017 - March 2019. Previously, President and Chief Executive Officer of the Corporation from July 1, 2007 to August 1, 2014.	1,208,900 (1.1%)
Doug Thomson, FCA (1) (2) Edmonton, Alberta Canada	Chair of the Board, April 2010	Corporate Director; Retired;	4,163,066 (3.7%)
Brandon Taylor Boise, Idaho USA	President and Chief Operating Officer	President and Chief Operating Officer, OneSoft Solutions since October 2018, previously Chief Technology Officer and President, OneBridge Solutions, Inc.	4,920,389 (4.4%) (4)
David Tam, Edmonton, Alberta, Canada	Corporate Secretary February, 1998	Partner, Parlee McLaws LLP legal firm, Edmonton, Alberta, Canada	2,573,591 (2.5%)
Paul Johnston Edmonton, Alberta Canada	Not Applicable	Chief Financial Officer since 1995. Mr. Johnston is an accredited CPA CMA and has more than 35 years of accounting and finance experience.	2,039,167 (1.8%)

(1) Member of audit committee.

(2) Member of corporate governance and compensation committee.

(3) R. Dwayne Kushniruk, a director of the Company, owns, directly or indirectly, 5,149,470 common shares of record and beneficially owns 1,431,250 common shares though his wholly owned corporations. He controls 4,575,280 common shares through his partial ownership of Bridge Solutions Inc. which owns 11,731,486 common shares.

(4) Brandon Taylor owns directly 3,629,926 common shares of record and controls 1,290,463 common shares through his partial ownership of Bridge Solutions Inc. which owns 11,731,486 common shares

Committees of the Board

The Board of Directors has an audit committee and a governance and compensation committee.

Audit Committee

The Audit Committee assists the Board in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. The committee oversees the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, which includes discussions with external auditors. The committee monitors the management of financial risk throughout our organization.

Our audit committee operates under a written charter that sets out its responsibilities and composition requirements. A copy of this charter is attached as Appendix "A" to this Annual Information Form.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company in the 10 years preceding the date of this Annual Information Form, was a director, chief executive officer or chief financial officer of any company that was (a) the subject of an cease trade or similar order or an order that denied any such company access to any exemption under securities legislation for a period of more than 30 consecutive days, while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (b) subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer which resulted from an event that occurred whicle that person was acting in the capicity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of the Company to materially affect its control is or was, in the 10 years preceding the date of this Annual Information Form, within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency related legislation or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Interest of Management and Others in Material Transactions

Other than what may have been discussed herein, no director or executive officer of the Company, or any person or company that beneficially owns, or who exercises control over, directly or indirectly, more than 10% of the outstanding common shares of the Company, or any associate or affiliate of such persons, had any material interest, direct or indirect, in any transaction or any proposed transaction within the three most recently completed financial years or during the current financial year which has materially affected or would materially affect the Company or any of its subsidiaries, other than the following:

Private placements

On July 30, 2015, the Company completed a non-brokered private placement consisting of 20,000,000 units ("Units") of the Company at a price of $0.05 per Unit for gross proceeds of $1,000,000. Each Unit was comprised of one (1) common share and one (1) common share purchase warrant entitling the holder to purchase one (1) additional common share of the Company at a price of $0.10 per common share for a period of thirty-six (36) months following the date of closing, subject to an acceleration clause.

In March 2016, the Company closed a private placement of an aggregate of 16,666,666 units ("Units") of the Company at a price of $0.075 per Unit for gross proceeds of $1,250,542. Each Unit was comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share of the Company at a price of $0.15 per common share for a period of twenty-four months following the date of closing, subject to an acceleration clause.

Directors and executive officers participated directly or indirectly in these private placements.

All warrants pertaining to the private placements have been exercised.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the common shares is Computershare Trust Company of Canada at its office in Calgary, Alberta.

MATERIAL CONTRACTS

There are no material contracts, other than contracts entered into in the normal course of business, which have been filed with the Canadian securities regulators pursuant to section 12.2 of National Instrument 51-102, *Continuous*

Disclosure Obligations, within the most recently completed financial year, or before the most recently completed financial year and remain in effect, with the exception of the following material contract:

INTEREST OF EXPERTS

Grant Thornton LLP, Edmonton, Chartered Professional Accountants, have audited the financial statements for the year ended December 31, 2019 and ten months ended December 31, 2018.

Grant Thornton LLP has advised that it is independent with respect to the Company in accordance with Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the most recent Management Information Circular. Additional financial and other information with respect to the Company is contained in the Company's audited consolidated financial statements for the year ended December 31, 2019, and the Company's Management's Discussion and Analysis for the fiscal period ended December 31, 2018.

All information and filings relating to the Company may be found on SEDAR at www.sedar.com.

APPENDIX A: THE AUDIT COMMITTEE'S CHARTER

Purpose

The overall purpose of the Audit Committee (the "Committee") of OneSoft Solutions Inc. (the "Corporation") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Corporation's independent auditors.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").

2. A majority of the members of the Committee shall be independent and who, in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least two (2) members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

7. Meetings of the Committee shall be conducted as follows:

    (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
    (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
    (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

8. The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

9. The overall duties and responsibilities of the Committee shall be as follows:
    (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
    (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;

(c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
(d) to report regularly to the Board on the fulfillment of its duties and responsibilities.

10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
(b) to review and approve the fee, scope and timing of the audit and to approve the engagement of, and fee of, the external auditors for any other related services rendered by the external auditors;
(c) review the audit plan of the external auditors prior to the commencement of the audit;
(d) to review with the external auditors, upon completion of their audit:
i) contents of their report;
ii) scope and quality of the audit work performed;
iii) adequacy of the Corporation's financial and auditing personnel;
iv) co-operation received from the Corporation's personnel during the audit;
v) internal resources used;
vi) significant transactions outside of the normal business of the Corporation;
vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
viii) the non-audit services provided by the external auditors;
(e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
(f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

11. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors, if applicable, are to:

(a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
(b) review and approve the internal audit plan; and
(c) review significant internal audit findings and recommendations, and management's response thereto.

12. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

(a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
(b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
(d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

13. The Committee is also charged with the responsibility to:

(a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
(b) review and approve the financial sections of:

i) the annual report to shareholders;
ii) the annual information form, if required;
iii) annual and interim MD&A;
iv) prospectuses;
v) news releases discussing financial results of the Corporation; and
vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

(c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
(d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
(e) review and report on the integrity of the Corporation's consolidated financial statements;
(f) review the minutes of any audit committee meeting of subsidiary companies;
(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
(h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

14. The Committee shall have the authority:
(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
(b) to set and pay the compensation for any advisors employed by the Committee; and
(c) to communicate directly with the external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Doug Thomson, Ron Odynski and Dwayne Kushniruk. All the members, except for Dwayne Kushniruk, are considered independent, and all the members are financially literate. "Independent" and "financially literate" have the meaning used in NI 52-110 of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

Mr. Thomson has over 35 years of senior executive and financial experience in a variety of roles and industries. He has a Bachelor of Commerce from the University of Alberta, is a Chartered Professional Accountant, a Fellow of the Chartered Professional Accountants of Alberta and holds the ICD.D designation as a certified director from the Institute of Corporate Directors. He currently sits on the Board of one other organization and is a former President of the Institute of Chartered Accountants of Alberta.

Mr. Odynski has practiced law with Ogilvie & Company of Edmonton and Calgary, Alberta since 1975 and is the managing partner in Edmonton. He was admitted to the Law Society of Alberta in 1975, appointed Queen's Counsel in 1990, and is a graduate of the Institute of Corporate Directors, holding the ICD.D designation. Mr. Odynski has extensive experience providing legal services to healthcare institutions and advanced technology companies.

Mr. Kushniruk has been directly involved in the startup, financing and ongoing management of several financial software companies during the past 30 years, including several TSX Venture Exchange listed (or equivalent) companies. During this period, he has developed an extensive understanding of financial systems, financial statements and accounting standards, Canadian and international capital markets and listed company disclosure requirements.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Grant Thornton LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee must review and approve the fee, scope and timing of the audit and must approve the engagement of, and fee of, the external auditors for any other related services rendered by the external auditors.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES:

The aggregate fees invoiced to the Corporation by the external auditor during the period of the last two fiscal years are as follows:

	Year ended December 31, 2019	Ten months ended December 31, 2018
Audit fees	$93,733	$61,989
Tax fees	23,136	19,447
All other fees	54,317	4,494
Total Fees:	$171,186	$85,930

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.