**ONESOFT SOLUTIONS INC.**

# ANNUAL INFORMATION FORM

**For the Year Ended December 31, 2021**

**DATED: March 29, 2022**

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**FORWARD LOOKING STATEMENTS**

This Annual Information Form ("AIF") for the year ended December 31, 2021, (the "Dec. 2021 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.", "Product Development", "Products", "Revenue" and ensuing description and discussion of, "CIM Sales and Revenue Growth", "Sales and Marketing Strategies", "Business Outlook for 2022", "Competitive Conditions". "Business Cycles", "Changes to Contracts", "Environmental, Social and Governance (ESG) Performance", and the section entitled "Risks and Uncertainties". When used in the Dec. 2021 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 2021 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 Dec. 2021 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, 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. 2021 AIF is qualified by these cautionary statements. Although the forward-looking information contained in this Dec. 2021 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. 2021 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. 2021 AIF.

The forward-looking statements contained in the Dec. 2021 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 because of new information, future events, or otherwise.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

OneSoft Solutions Inc. ("OneSoft", "OSS" or the "Company" or the "Corporation") 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 Vision 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. After the transition year, the Company's financial year is the period January 1 to December 31.

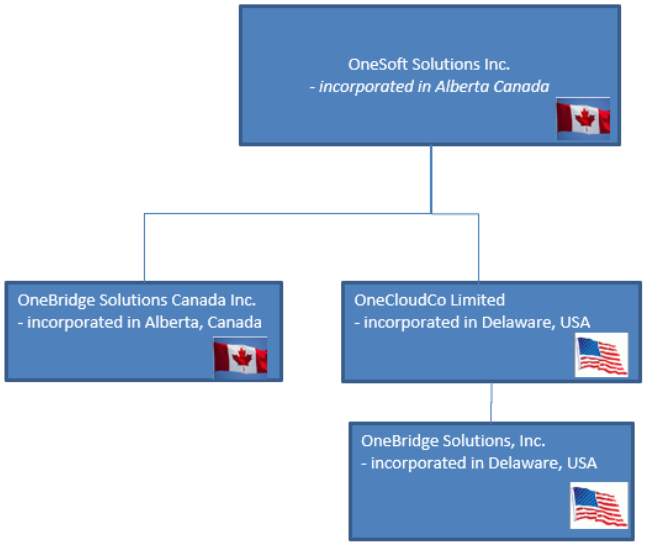
### Intercorporate Relationships

The Company conducts its operations through its wholly owned and controlled subsidiaries, OneBridge Solutions Canada Inc. and OneBridge Solutions, Inc.

On January 1, 2020, OneBridge Solutions Canada Inc was formed through the statutory amalgamation of two wholly owned subsidiaries: CloudCo Solutions Inc. and OneBridge Solutions Inc. OneBridge Solutions Canada Inc provides software development 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 Alberta on June 16, 2015. CloudCo Solutions Inc. was incorporated in Alberta, Canada on July 15, 2014 and it was inactive on the amalgamation date.

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 the software owned by OneBridge Solutions Canada Inc. OneCloudCo Limited was incorporated in the State of Delaware, USA, on July 18, 2014.

As at January 1, 2022, 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. OneCloudCo Limited owns OneBridge Solutions, Inc. for income tax efficiency purposes.



## 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 are 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 may sell rights to access and use the Company's products in certain markets.

### 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. On July 1, 2004, it acquired Serenic Software Inc. of Lakewood, Colorado and by 2013, revenues had grown organically to $12.0 million. 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 for nil proceeds.

On July 17, 2015, the Company acquired the assets 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.

Since the acquisition of the Bridge assets, the Company has focussed on addressing the end-to-end business process flow of oil and gas pipeline integrity management processes including assessment planning, integrity compliance, dig management, threat monitoring, data management and analyses of the various datasets that apply to asset integrity.

### 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 CIM. Microsoft's decision to support the OneBridge project has been highly valuable to date and has included 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.

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 Development**

Product development is done in-house by our staff, several of whom are educated to the Masters and PH.D. levels, augmented by a contracted offshore development team. Development costs consist of staff salaries, contractual amounts paid to the offshore development team and Microsoft Azure cloud computing costs. 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, predictive analytics and dashboard reporting which reports the observations made of the pipeline data in an easy to use and attention-directing manner

**Products**

**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 and improve their pipeline integrity management practices.

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. 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.

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 five 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.

In September 8, 2020, functionality was added to include some of the standard integrity methodologies used in Direct Assessment ("**DA**") processes that search for deterioration of pipeline coatings around which corrosion may occur. DA is used for most pipelines in the U.S.A. including pipelines for which ILI data is not captured. CIM DA functionality is being developed to work with several of the four phases of DA methodology which includes preassessment, identification, field examination and post-assessment processes.

On March 9, 2021 the Company announced the acquisition of IP that is being integrated into the CIM platform as a component of its risk compliance functionality. The acquired IP includes algorithms and processes that leverage machine learning to measure the probability of a pipeline wall failing at different operating pressures due to anomalies found in pipeline inspections. The analysis, often referred to as probability of exceedance ("**POE**"), supports the prioritization of on-going inspections and mitigations and aligns with regulatory requirements mandated by PHMSA 192 & 195 safety statutes for U.S. pipeline operations.

In 2021, several software modules described below were under development or were being researched in the Company's Innovation Lab. The Company's intent is to sell these on a "when used" basis, which may consist of a monthly subscription or a fee per use charge or both. The Company also continued to explore potential application of its technology and products for suitability in markets other than oil and gas including water/wastewater and other steel product markets.

- **Corrosion Management** addresses internal and external corrosion with data management and analytics for corrosion coupons, sampling, pigging, transported material flow velocity and flow mode, chemical usage and external pipeline corrosion caused by elements in the atmosphere and surrounding environment, Corrosion Management data is correlated to ILI data to monitor trends, forecast chemical spend and pipeline forecasted life to determine overall corrosion mitigation effectiveness.
- **Crack Management** assists pipeline operators with data analytics concerning integrity and threat management associated with pipeline cracks, generally in accordance with recommended operating practices pursuant to API RP 1176 and both US and Canadian regulations.
- **Risk Management** is a quantitative risk software module currently under development. Risk Management embeds C-FER Technologies' nine probabilistic threat models into CIM (External Corrosion; Internal Corrosion; Stress Corrosion Cracking; Manufacturing-Related Defects; Welding/Fabrication Defects; Equipment; Third Party / Mechanical Damage; Weather & Outside Force; and Incorrect Operation) which collectively address pipeline operations regulation ASME B31.8S.
- **Geohazard Management** is a software module currently being researched in the Company's Innovation Lab to assess seismic, earth movement, soil and water factors that contribute to potential pipeline strain and failures. The Company has not yet committed to develop and commercialization of Geohazard Management, pending further technical and market due diligence that is currently ongoing.

Our software solutions use numerous 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.

During Fiscal 2021 the Company enhanced its solutions with 11 application releases and 43 cumulative machine learning algorithm updates. Approximately 8,000 ILI assessments have been ingested into CIM to date, resulting in the Company's algorithms now having capability to detect and report on nearly 300 pipeline threat conditions and excavation criteria, inclusive of both regulatory and operator best practices. More than 70 million features, across all data, have been analyzed by CIM to date. Management believes that CIM has the largest single aggregation of normalized and aligned data for the O&G pipeline industry, which enables our machine learning algorithms to extract knowledge from this data and share such learnings across all our customers, without sharing any of their data.

**REVENUE**

The Company currently has two products: software-as-a-service ("SaaS") solutions for the pipeline industry; and, one-time projects, whereby the Company may undertake development projects for customers if the products produced are complementary to the Company's SaaS solutions.

All products are developed by OneBridge Solutions Canada Inc. and marketed the 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.

**Revenue by Product Line**

| **Segments** | **Year ended December** | | |
|---|---|---|---|
| | **2021** | **2020** | **2019** |
| | **$** | **$** | **$** |
| Major services: | | | |
| Pipeline software subscriptions | 4,072,522 | 3,872,678 | 2,705,518 |
| Software implementation and other services | 306,002 | 85,613 | - |
| Licensing, production trials and commission | 63,428 | 97,786 | 6,250 |
| | **4,441,952** | **4,056,077** | **2,711,768** |

**Revenue by Geographic segments**

| | Year ended December | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| | $ | $ | $ |
| Primary geographical markets | | | |
| U.S.A. | 4,192,408 | 4,035,234 | 2,705,518 |
| Australia | 130,562 | 14,593 | - |
| Canada | 118,982 | 6,250 | 6,250 |
| | **4,441,952** | **4,056,077** | **2,711,768** |

**Revenue categorized by repeatability**

| | Year ended December | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| | $ | $ | $ |
| Annual recurring revenue | 4,072,522 | 3,872,678 | 2,460,330 |
| Other revenue | 369,430 | 183,399 | 251,438 |
| | **4,441,952** | **4,056,077** | **2,711,768** |

**Description of Revenue categorized by repeatability**

Management categorizes revenue into two buckets: "Recurring" and "Other".

Annual Recurring Revenue ("**ARR**") revenue includes 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 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:

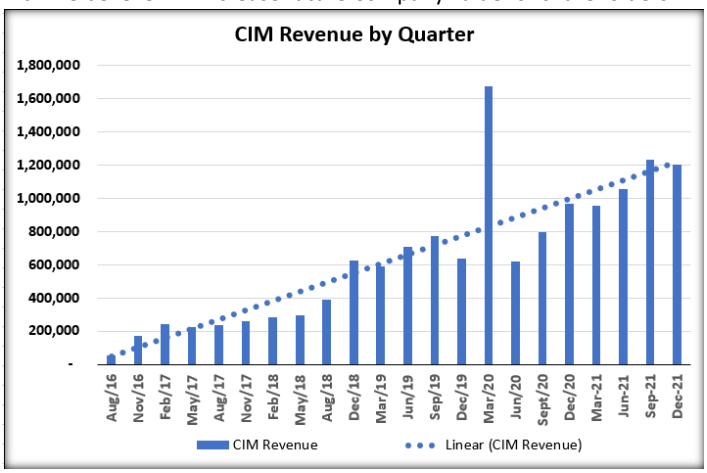
- Production Trials (formerly referred to as Proof of Concept) ("**POC**") Fees. In some cases, the Company may invoice prospective clients for costs associated with CIM trial use including data cleansing services and reimbursement of Azure computing costs. Microsoft may pay a portion or all a particular POC 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.
- Licensing and commissions are fees charged to a third party to provide the right to use an element of CIM in their software and fees earned by referring a third party to customer of the Company's who subsequently used the third party's products.

**Quarterly Revenue**

The chart below shows CIM revenue for the past twenty-two quarters. The unusual Q1 2020 revenue spike is not likely to similarly occur in the future, as it is more probable that loading of logs and their corresponding revenue will be more evenly distributed over future quarters. Except for this anomaly, revenue reflected a consistent growth trend, driven by an increasingly larger customer base.

We anticipate that quarterly revenue will continue to vary until it is sufficiently high such that anomalies generated by potential unusual customer activity is not evident. We expect new customers to prioritize ingestion of ILI data into CIM that applies to the segments of their pipelines for which CIM will be used currently, rather than ingesting all data for all segments that won't be processed in CIM until sometime in the future.

Management draws reader attention to the dotted line, which illustrates CIM's compounded annual revenue growth rate of 76.9%, based on linear growth over 5.5 years. Management is focused on increasing CIM revenues to drive cash flow and profitability which we believe will increase future Company value for shareholders.




## 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 databased

computer software applications to assess data associated with pipeline integrity management. Phillips 66 wanted to explore the 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 excavated and inspected the anomalies detected by CIM that differed from their internally-generated "truth data". As the excavation and inspection confirmed that the 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. 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 who had monitored the evolutionary progress of CIM and engaged in Proof of Concept ("**POC**") projects were added in 2019, including one of the industry Super-majors and a large Fortune 100 client operating more than 18,000 piggable 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 two other 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 their choice of 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 six months, we believe that similar clients can now be on-boarded more rapidly, due to the automation procedures that were developed while working with this client.

**SALES AND MARKETING STRATEGIES**

**Transition From Early Adopter to Mainstream Market Customers**

Based on the strong validation and positive CIM-use experiences of our early adopter clients, which are now being shared with industry peers, the Company is transitioning to sell to early majority customers, that are typically most motivated to purchase for return on investment ("**ROI**") considerations, wherein "trapped value" can be unlocked through adoption of new technology and processes. We believe that CIM has similar capability to unlock trapped value from unused and underutilized data by reducing O&G pipeline operating costs, as has been documented by OneSoft

and third parties in several white papers, case studies and webinars, some of which were explained in detail on pages 6-8 of the Company's MD&A for FYE December 31, 2020 published on SEDAR.

We intend to evolve future sales and marketing strategies to focus on identifying and communicating the trapped value opportunities that CIM-use can unlock and quantify the increasing operating efficiencies and cost reductions. Many potential customers using current siloed data systems and processes are not yet aware of CIM's full potential. Our revised approach is targeted at senior management personnel who make buying decisions based on company holistic rather than departmentally focused priorities and exposing CIM's full capabilities and potential to improve their operations.

**Product Pricing Consideration**

To entice engagement and input from early adopters, OneSoft has engaged in strategic pricing, with the expectation of recovering that value later. This strategy is commonly used by technology companies in start-up phases, that ultimately garnered leading market share status. OneSoft's strategies to date have included:

- "try before you buy" (i.e., production trial) initiatives, often conducted without fees being charged;
- various pricing models that were customized to suit certain client requests;
- land and expand initiatives wherein certain clients were engaged using "pay-as-you-go" concepts that precluded long term contractual commitments during initial use of CIM; and
- a strong focus on ensuring high customer success experiences, by providing comprehensive implementation, training and support services, and often for reduced fees.

Management's view is that the addition of new customers at this point in the Company's evolution is a high priority. This strategy promotes early market share growth, which increases challenges for potential competitors to enter the market. First-mover lead in market share also provides competitive advantage to achieve future market leadership status in the New Market Category,

Management anticipates that year-over-year incremental revenue will continue to vary, depending upon the pricing models clients initially select and the additional functionality modules they choose to use in the future. Revenue from some existing clients is expected to remain fairly constant over the term of their CIM-use agreements while revenue from existing clients that choose to stage their CIM use over several future years and/or accelerate their use of additional CIM modules may increase materially year over year.

**Marketing, Sales, Customer Relationships**

As OneSoft crosses the chasm from early adopter to mainstream clients, Management intends to modify marketing and sales strategies that were used to engage innovator and early adopter customers to those most suited to attract early majority customers. This customer group is generally more risk-averse and pragmatic and tend to purchase only after earlier customers have validated the new product. Their most compelling reason to buy is ROI. Management believes that the Company is well-positioned to present compelling cases to justify purchase decisions considerations based on ROI factors.

Whereas the Company's early market marketing and sales messaging were targeted at operational teams who were ultimately required to test and validate our solutions, these are being modified for presentation to senior management and C-suite teams, with the objective of providing solutions for "pragmatists in pain".

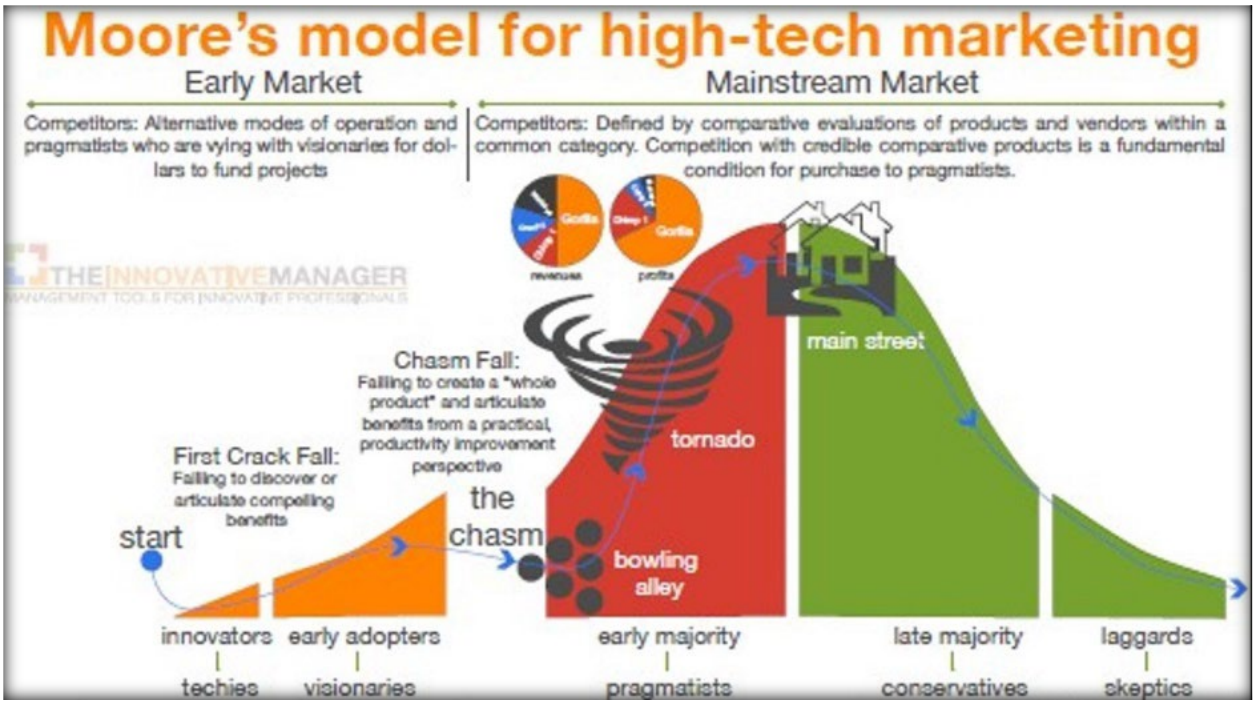
The architecture of the CIM platform and development of the complimentary modules are ideal to leverage a Consumption Economics SaaS deployment model, which allows customers to onboard CIM with smaller up-front financial commitments and increase their CIM use over time.

The fundamental sales challenge for most new CIM clients is making the decision to replace their legacy systems, knowing that adoption of new technology and systems will be disruptive to company culture and current processes. Other sales challenges include the need for clients to establish sufficient comfort with our Company and personnel that will sustain into the future; the requirement to conduct extensive product, legal and information technology due diligence efforts; and addressing pricing terms and procurement logistics that govern multiple year contracts. While these factors apply to initial sales to new clients, they no longer pose significant challenges for second and subsequent sales to existing clients.

**Moore's Technology Adoption Model**

Many of Management's strategies to grow the Company and build shareholder value are based on the experiences of other technology start-ups, some of which has been compiled and published by Geoffrey Moore. A podcast interview entitled "Building Gorilla Businesses", wherein he summarizes his insights from an investor's perspective, can be accessed at Apple Podcast, Spotify or other online venues.

The chart below summarizes the Moore technology adoption model. Management believes that OneSoft has crossed the chasm and is currently developing the different software modules to create the whole solution that is necessary to achieve market leadership status.




**BUSINESS OUTLOOK FOR 2022**

OneSoft had a very productive year by more than doubling its client base in Fiscal 2021. Most of our clients are high-profile industry leaders that have entered into multi-year SaaS agreements who collectively operate approximately 150,000 miles of pipelines, of which approximately 100,000 miles are piggable.

During Fiscal 2021 the Company enhanced its solutions with 11 application releases and 43 cumulative machine learning algorithm updates. Approximately 8,000 ILI assessments have been ingested into CIM to date, resulting in the Company's algorithms now having capability to detect and report on approximately 300 pipeline threat conditions and excavation criteria, inclusive of both regulatory and operator best practices. More than 70 million features, across all data, have been analyzed by CIM to date. Management believes that CIM has the largest single aggregation of normalized and aligned data for O&G pipeline operations, which enables our machine learning algorithms to extract knowledge from this data and share such learnings across all our customers, without sharing any of their confidential data.

In September 2021, the Company signed a multi-year CIM use agreement with the largest North American O&G pipeline operator (and continues to grow through acquisitions) who currently operates over 100,000 miles of pipeline (half of which are estimated to be piggable) in aggregate. This client, with its highly committed staff, required 6 months to transition the disparate integrity management processes of more than 30 divisions to CIM Core, which attests to the efficiency of our solutions and new onboarding tools.

Our first mover advantage, strong validation of our technology and products and ideal positioning of CIM to act as the foundational data-hub for digital transformation collectively create a strong foundation upon which OneSoft can build the market leading company envisioned by Management. We anticipate that the client relationships we've developed will remain strong for years into the future, providing we continue to deliver technologically advanced solutions that assist operators to reduce pipeline failures, realize cost savings and unlock trapped value from unused and underutilized data.

Although the long sales cycles with our Fortune 500/100 clients have been challenging to date, they are now advantageous, since they represent a significant barrier to entry for potential competitors. We know of no other CIM-like, competing solution that has been commercialized to date. While this does not mean competitive solutions are not in development, we believe any future competitors will need to successfully navigate through all the technology and product validation steps that OneSoft has encountered during the past six years. We expect our new modules currently under development and new tools to scale on-boarding of new clients will continue to advance the Company's market position and increase future recurring revenue opportunities.

Management believes that our solutions align with several disruptive technology trends that enhance future opportunity and value creation, including the following:

- Customers must keep pace with the digital world – real time, on demand and data driven. OneSoft's "as-a-service" technology model drives cost-effective efficiencies for operations.
- Our machine learning platform captures and leverages data to drive actionable analytics and replaces legacy systems and processes. Adoption of new CIM-type technology is no longer optional for customers who want to operate competitively.
- COVID-19 has changed employment patterns at a fundamental level, which drives more dependence on technologies that enhance automation and efficiencies, particularly because CIM functionality enables less experienced workers to perform tasks that traditionally required deep expertise and more experienced workers to spend their time performing higher value work based on better data analytics.
- Much of the increasingly specialized services expertise can be automated with CIM technology, rather than hiring additional services personnel to do the work manually and billing on a time and materials basis, as has been done historically.

Market and sales activities are currently underway in the USA, Canada, Australia, and certain countries in Europe and South America, which we anticipate will result in CIM sales in future periods. Innovation Lab and business development initiatives are also underway, including recruiting CIM resellers, investigating joint venture arrangements with synergistic companies and pursuing new potential markets and revenue sources where CIM technology and products can be applied.

Insiders collectively own approximately one third of the Company's shares, who continue to operate the Company with the objective of increasing all stakeholders' value over the long term. We have judiciously used the proceeds from our last financing in 2019 to fund business growth, prioritizing increasing our technology lead and competitive moat and engaging new clients. The Company's Fiscal 2022 business and financial plans will continue to pursue these priorities. We believe that maximizing reinvestment of cash and resources to grow the business will maximize shareholder value.

Given the Company's strong balance sheet with $5.5 million of cash at Fiscal 2021 year end, no debt, budgeted cash burn rate and anticipated revenue for Fiscal 2022, Management believes the Company is sufficiently funded to execute its Fiscal 2022 business plans as currently envisioned without requirement to raise additional capital.

**COMPETITIVE CONDITIONS**

Management believes that OneSoft continues to have a significant technological lead, which at this point poses a significant barrier for potential competitors to catch up to or surpass. OneSoft's technological lead resulted from several factors, three of which are key differentiators that competitors are unlikely to replicate at this point:

- Microsoft's assistance commencing with our participation in their first Accelerator for data science and machine learning in H1 of 2016 and their technical and marketing collaboration which has continued to date; and,
- The Company's opportunity to incorporate Phillips 66's internally developed software and IP into CIM, which has significantly reduced CIM development time.
- Unlike ILI vendors, OneSoft is viewed as a neutral, safe partner for pipeline operators to share data with. Data sharing with ILI vendors carries potential risk for operators to become dependent on single-sourcing ILI services, which doesn't exist with the Company's vendor-agnostic data management capabilities.

Management believes that these factors have significantly impacted the Company's first mover advantage, generating a significant head start. Potential competitors that do not have access to these collaborative efforts will be disadvantaged to replicate CIM and attract early adopter validation. Management is aware of several other parties, including software competitors and large pipeline operators, that have attempted to develop CIM-like solutions, without success thus far.

**INTANGIBLE PROPERTIES**

CIM was developed by and is wholly owned by the Corporation. One element of CIM uses, in part, the proprietary software of Phillips 66 Company and the Corporation 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 after it has been adopted and to pay regular monthly payments. The Company believes that there will be a continued use of fossil fuels for many years into the future and as the industry evolves to other fuel sources, the Company will transition with them. 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 production trial contracts which may convert to long term commercial contracts after the production trial 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, 2021, the Company employed 31 people. The Company also employs additional staff through a subcontractor arrangement it has with an offshore software development firm.

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE**

The Company's Board of Directors and senior executive team recognize the importance of appropriate "tone at the top" and consistently foster ethical practices to govern the Company's business conduct. In 2021, the Company rejected the emergency COVID benefits extended by the Canadian and U.S. governments, and while our operating companies technically qualified for these corporate welfare benefits in both the U.S. and Canada, we believed it was ethically unjust to accept them in our circumstance.

Our Board of Directors adheres to strong corporate governance practices. It has adopted a Board of Directors Mandate, Board committee charters, and other policies to ensure it has a progressive corporate governance framework. Information about shareholder rights and executive compensation can be found in our most recent publicly filed information circular/proxy statement. Four of five members of OneSoft's Board of Directors are independent, two have professional corporate director certifications in addition to other professional designations and the Company maintains and implements policies on Whistle blowing, Code of Conduct and Business Ethics, Disclosure, and Corruption of Foreign Officials.

OneSoft's products are designed to assist pipeline companies to achieve their objective of zero failures, protect the environment, save lives and reduce operating costs. OneSoft extends the same concern for the environment into its daily practices. Since reorganizing the Company in 2014 to pursue cloud computing opportunities, employees have worked from home offices, which reduces the carbon footprint caused by commuting to and maintaining a common workplace. The Company provides personal computers for employees' use but does not own computer servers that need constant replacement due to technology obsolescence, and instead uses Microsoft's cloud computing platform which is more efficient and requires less energy, power and equipment resources. The distributed nature of our workforce results in more reliance on electronic documents and filing systems, reducing the need for paper documents which are more environmentally harmful. Using modern communication systems such as Microsoft Teams, the Company has reduced business travel, particularly since the pandemic has encouraged the use of on-line meetings to replace traditional in-person office meetings. This has resulted reduction of expense and pollution resulting from airline travel.

OneSoft is mindful of social issues and has workplace policies that foster an informed, egalitarian and productive employee team. Our Employee Handbook contains policies on diversity, inclusion and equity, harassment and discrimination, personal conduct and cyber security. Employees are provided fair and competitive rates of pay and employee benefits packages and staff are actively encouraged to pursue additional educational opportunities and to fully consume vacations and personal days off as allowed by policy, to maintain appropriate work/ life balance. Employee turnover since 2014 has been practically non-existent, which signals that OneSoft provides a workplace that personnel enjoy contributing to and being a part of. While the co-founders and early investors of the Company at the OneBridge start-up stage and who currently comprise the senior executive team are male, females currently constitute 50% of the operational management and supervisory teams. The Board intends to mitigate any lack of diversity within the Company's management personnel whenever such opportunities arise. The Board and Management intend to continue to stress and influence good corporate and community citizenship, by influencing all Company personnel and by taking appropriate actions as required.

Energy companies and people world-wide are generally paying more attention to threats caused by climate change and the environment. The Company, through commercial deployment of its solutions, effectively contributes to mitigation of these threats in two ways. Firstly, the Company's CIM solution plays what we believe is a significant role in assisting our clients to reduce or eliminate pipeline failures. Our first commercial client, Phillips 66, was recently awarded well-earned recognition for achieving their objective of zero pipeline failures during 2020, a notable achievement that CIM contributed to. Secondly, the Company will continue to play an important role in mitigation of threats to pipeline assets into the foreseeable future, regardless of whether pipelines transport oil and gas as they do today, or whether they will be re-purposed to transport hydrogen or other green fuels at some point in the future. We believe that despite the advancements being made to develop and implement viable alternative energy sources, the world will still need to rely on oil and gas for decades to come, and therefore OneSoft's contributions to protect the environment will continue for the O&G industry and will be adapted to future energy technologies as changes are made.

As ESG practices evolve, OneSoft's leadership team intends to continue educating itself regarding these issues, with intention to continually improve its current practices and assume a leadership role for issues that the Company is most suited to influence.

**RISKS AND UNCERTAINTIES**

OneSoft is subject to business and economic risks including:

**COVID-19 World Pandemic**

The ongoing COVID-19 global pandemic, and actions taken by governmental authorities in response thereto has resulted in: increased volatility in financial and commodity markets; an overall slowdown in the global economy; disruptions to global supply chains; reductions in trade volumes; temporary operational restrictions and restrictions on gatherings of individuals, business closures and travel bans and increased political and economic instability. The global pandemic has caused interruptions in and to the Company's customers. Volatility in energy prices can impact the demand for petroleum products and related transportation services and expose our customers to risk of a decline in transportation revenue. The full extent and impact of the COVID-19 pandemic is unknown at this time and the degree to which it may impact our business operations and financial results will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence, including: the duration, severity and geographic spread of the COVID-19 virus; further actions that may be taken by governmental authorities including in respect of travel restrictions and business disruptions; the effectiveness of actions taken to contain and treat the virus; and how quickly and to what extent normal economic and operating conditions can resume. While to date there has been no material impact on the Company's operations with its existing customers or on our software development and other operations as all employees were working from home offices prior to the pandemic, the Company has been slowed in signing prospective customers to commercial contracts as marketing and sales efforts have been impacted by the effect of the pandemic. The Company continues to assess the situation for adverse effects on its financial position (including possible impairment of the values ascribed to its intangible assets and goodwill), results of operations and cash flows.

**Fluctuations in World Energy Prices**

The volatility and reductions in energy prices that occurred in 2020 and 2021 have negatively impacted the Company's current and prospective clients. Although the Company's current and prospective clients are primarily midstream pipeline operators whose revenue is not necessarily dependent on energy prices, they may choose to respond to the economic challenges by reducing operating expenses through requests for price reductions from suppliers and curtailment or postponement of new technology adoption, including the Company's solutions and services. This may cause challenges for the Company to grow its number of clients or sustain its revenues, which risks could increase if the clients do not have confidence energy prices will recover or stay recovered.

**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 be captured 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 in 2016. 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 companies 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 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 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 of the 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.

**Risks regarding a patent of the Company's intellectual property and dependence on Intellectual Property Rights:**

The Company to date has not patented its software. 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 for that purpose will be enforceable.

**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 significant resources to our development efforts 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. 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.

In Fiscal 2021, the Company commenced an initiative to become compliant with SOC 2 Type 2 data confidentiality and protection standards. An external auditor has been engaged to provide preliminary comment on the Company key controls and to perform an audit of the Company's compliance with the framework in December 2022. This initiative was undertaken to further strengthen the Company's protection of customer data.

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:

| Financial assets | December 31, 2021 $ | December 31, 2020 $ |
|---|---|---|
| Cash and cash equivalents | 5,509,469 | 7,223,241 |
| Trade and other receivables | 215,791 | 195,259 |
| | 5,725,260 | 7,418,500 |

| Financial Liabilities | December 31, 2021 | December 31, 2021 |
|---|---|---|
| Accounts payable and accrued liabilities | 838,420 | 838,959 |

**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 headquarter, 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. Most of the Company's revenue, and a large portion of its expenses, are transacted in U.S. dollars.

The Company has a natural hedge to foreign exchange risk as much of its revenue and a large portion of its 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 U.S. dollars included in its financial statements.

| | December 31, 2021 $ (USD) | December 31, 2020 $ (USD) |
|---|---|---|
| Cash and cash equivalents | 2,326,399 | 1,537,186 |
| Trade and other receivables | 128,750 | 17,603 |
| Accounts payable and accrued liabilities | (337,653) | (251,790) |
| Total exposure | 2,117,496 | 1,302,999 |

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, 2021 (year ended December 31, 2020 - 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.

Strengthening or weakening of the Canadian dollar against the USD by 10% (December 31, 2020 - 10%) would have had the following applicable positive or negative impact on net (loss) income:

| | Profit | Equity |
|---|---|---|
| | $ | $ |
| December 31, 2021 | 70,217 | 70,217 |
| December 31, 2020 | 29,171 | 29,171 |

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, 2020: +/- 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, 2021, approximately 92.7% (December 31, 2020 – 92.8%) of the Company's cash balances were held in interest bearing bank deposits and fixed interest rate GICs.

| | Profit | Equity |
|---|---|---|
| | $ | $ |
| December 31, 2021 | 37,302 | 37,302 |
| December 31, 2020 | 49,157 | 49,157 |

**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, 2021 | December 31, 2020 |
|---|---|---|
| | $ | $ |
| Classes of financial assets - carrying amounts: | | |
| Cash and cash equivalents | 5,509,469 | 7,223,241 |
| Trade and other receivables | 215,791 | 195,259 |
| Carrying amount | 5,725,260 | 7,418,500 |

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 providing customers incentives to pay in advance or 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 that 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, 2021 |
|---|---|---|---|
| | Gross trade and other receivables | Allowance for doubtful accounts | Net trade and other receivables |
| | $ | | $ |
| Current | 176,606 | - | 176,606 |
| Past due 30 to 60 days | 39,185 | - | 39,185 |
| Total | 215,791 | - | 215,791 |

| | | | December 31, 2020 |
|---|---|---|---|
| | Gross trade and other receivables | Allowance for doubtful accounts | Net trade and other receivables |
| | $ | | $ |
| Current | 189,695 | - | 189,695 |
| Past due 30 to 60 days | 5,564 | - | 5,564 |
| Total | 195,259 | - | 195,259 |

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, 2021 - $838,420 (December 31, 2020 - $838,959).

The Company considers cash flows from financial assets of $5,725,260 (December 31, 2020 - $7,418,500) 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.

On March 8, 2021, OBS CA acquired pipeline risk evaluation software from an individual in the USA. The total cost of the acquired software was $249,621, comprised of a cash payment of $126,600, the issuance of 120,000 common shares at $0.66 per share for a total value of $79,200, legal fees of $6,370, and capitalized employees' salaries and benefits of $37,451 for its integration into the Company's software solutions.

**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 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.

Associated with the stock offering, the Company issued 600,000 stock warrants to the underwriters as part of the underwriting compensation. Each stock warrant could purchase one common share at a price of $1 per share. The stock warrants expired unexercised on April 25, 2020.

As at March 29, 2022, the Company had outstanding 118,480,814 common shares, 10,291,668 stock options with an average strike price of $0.55 and an average remaining life of 2.7 years. Of these, 6,153,340 are exercisable at an average strike price of $0.52.

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, 2021 filed on SEDAR at www.SEDAR.com.

**Exercise of Share Purchase Warrants and Stock Options**

In 2021, directors, officers, and employees exercised 2,743,334 stock options with an average strike price of $0.18 to acquire the same number of common shares. Cash proceeds were $507,433. In Fiscal 2021, 100,000 stock options were forfeited prior to completion of the related vesting period and 400,000 options expired without exercise.

**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 2020 to December 2021.

| Year | Month | Share Prices | | | Share |
|---|---|---|---|---|---|
| | | High | Low | Closing | Volume |
| 2020 | Jan | $ 0.720 | $ 0.530 | $ 0.670 | 1,932,900 |
| | Feb | $ 0.690 | $ 0.470 | $ 0.520 | 5,930,377 |
| | Mar | $ 0.580 | $ 0.190 | $ 0.315 | 6,572,494 |
| | Apr | $ 0.455 | $ 0.255 | $ 0.450 | 1,809,288 |
| | May | $ 0.530 | $ 0.385 | $ 0.470 | 1,353,299 |
| | Jun | $ 0.480 | $ 0.415 | $ 0.450 | 1,505,731 |
| | Jul | $ 0.495 | $ 0.425 | $ 0.440 | 1,298,419 |
| | Aug | $ 0.465 | $ 0.420 | $ 0.420 | 1,410,841 |
| | Sep | $ 0.720 | $ 0.395 | $ 0.600 | 3,673,625 |
| | Oct | $ 0.620 | $ 0.455 | $ 0.460 | 2,116,664 |
| | Nov | $ 0.570 | $ 0.430 | $ 0.430 | 2,456,520 |
| | Dec | $ 0.660 | $ 0.415 | $ 0.580 | 3,150,527 |
| 2021 | Jan | $ 0.870 | $ 0.560 | $ 0.710 | 3,853,073 |
| | Feb | $ 0.800 | $ 0.670 | $ 0.690 | 1,871,565 |
| | Mar | $ 0.700 | $ 0.540 | $ 0.620 | 2,164,135 |
| | Apr | $ 0.680 | $ 0.600 | $ 0.640 | 576,113 |
| | May | $ 0.670 | $ 0.530 | $ 0.570 | 884,709 |
| | Jun | $ 0.640 | $ 0.550 | $ 0.560 | 668,475 |
| | Jul | $ 0.580 | $ 0.430 | $ 0.435 | 1,083,003 |
| | Aug | $ 0.610 | $ 0.405 | $ 0.560 | 1,215,148 |
| | Sep | $ 0.710 | $ 0.540 | $ 0.630 | 2,270,673 |
| | Oct | $ 0.650 | $ 0.530 | $ 0.620 | 1,223,044 |
| | Nov | $ 0.650 | $ 0.550 | $ 0.560 | 798,851 |
| | Dec | $ 0.580 | $ 0.480 | $ 0.510 | 1,098,090 |

**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 or state 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)<br>Edmonton, Alberta<br>Canada | Director,<br>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 | 10,406,000 (8.9%) (3) |
| Ronald Odynski (1) (2)<br>Edmonton, Alberta<br>Canada | Director,<br>February 1998 | Partner, Ogilvie Law LLP in Edmonton. | 3,820,473 (3.2%) |
| Randy Keith<br>Alpharetta, Georgia<br>USA | Director,<br>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. | 1,238,900 (1.1%) |
| Doug Thomson, FCA (1) (2)<br>Edmonton, Alberta<br>Canada | Chair of the Board and Director,<br>April 2010 | Corporate Director; Retired; | 4,158,066 (3.6%) |
| David Webster, P.Eng. (1)<br>Calgary, Alberta | Director,<br>June 2021 | Corporate Director, Retired. Vice-President & General Manager, Pipelines and Vice-President and Director of Pipeline Projects, Worley Canada, Inc., April 2010 to June 2016 | 2,500 |
| Brandon Taylor<br>Boise, Idaho<br>USA | President and Chief Operating Officer | President and Chief Operating Officer, since October 2018, previously Chief Technology Officer and President, OneBridge Solutions, Inc. | 5,545,389 (4.7%) (4) |
| David Tam,<br>Edmonton, Alberta,<br>Canada | Corporate Secretary<br>February, 1998 | Partner, Parlee McLaws LLP legal firm, Edmonton, Alberta, Canada | 2,525,091 (2.1%) |
| Paul Johnston<br>Edmonton, Alberta<br>Canada | Chief Financial Officer | Chief Financial Officer since 1995. Mr. Johnston is an accredited CPA CMA and has more than 35 years of accounting and finance experience. | 2,202,667 (1.9%) |

(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, 4,399,470 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 directly owns 4,254,926 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.

**Legal Proceedings**

On July 27, 2020 OneBridge Solutions Canada Inc., Tim Edward and Dwayne Kushniruk (collectively the "Plaintiffs") filed and served a Statement of Claim (the "Lawsuit") upon Darren Gerling, Jason Gerling, and Cylo Technologies Inc., (collectively the "Defendants"), as a result of multiple alleged breaches of the terms and conditions of a Software License Agreement ("SLA") entered into in October 2014, that governs the terms and conditions by which the Defendants can use certain intellectual property owned by the Company. The intellectual property and SLA were acquired in the July 2015 purchase of assets from Bridge Solutions Inc. (collectively the "Bridge IP"). Management believes it is prudent for the Company to continue to vigorously protect value for shareholders by protecting all its intellectual property, including the Bridge IP and all legacy and current technologies, and related contractual rights. The Lawsuit is currently in process.

**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 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:

In December 2017, the Company and a major client entered a contract to transform the client's on-premise pipeline asset management software to a remote-access, SaaS software application to be offered to customers. The contract successfully concluded in December 2018. The Company provisionally owns the software, which will become absolute provided minimum royalties of U.S. $2.25 million are paid based on revenue generated by rights to use the components of the software in the ten-year period ending December 20, 2027. To December 31, 2021, royalties of U.S. $582,450 have been expensed and U.S. $497,465 has been paid.

**INTEREST OF EXPERTS**

Grant Thornton LLP, Edmonton, Chartered Professional Accountants, have audited the financial statements for the year ended December 31, 2021. Grant Thronton have been the Company's auditors for the last seven years.

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, 2020, and the Company's Management's Discussion and Analysis for the fiscal period ended December 31, 2020.

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 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 directly contact 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, David Webster 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 40 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 is a former President of the Institute of Chartered Accountants of Alberta.

Mr. Odynski has practiced law with Ogilvie & Company of Edmonton , Alberta since 1975 and is the Chair of the Firm. 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. Webster has over 40 years of senior executive and engineering experience in the pipeline and pipeline integrity industries. He has a Bachelor of Applied Science (Mechanical Engineering) from the University of Toronto and is a Professional Engineer who was a member of the senior management team of Worley Canada Inc., (a global provider of professional project and asset services in the energy, chemicals, and resources sectors), until his retirement in 2016. Mr. Webster has experience serving as a member of the Board of Directors of publicly traded and private 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: | |
|---|---|---|
| | 2021 | 2020 |
| Audit fees | $83,469 | $71,405 |
| Tax fees | 19,778 | 22,386 |
| All other fees | 3,471 | 1,685 |
| Total Fees: | $106,717 | $95,476 |

**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.