iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2019 (the "*Period*")

The information set forth below has been prepared as at June 29, 2020, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.ôs (ñiLOOKABOUTò, ñILAò or the ñCompanyò) audited consolidated financial statements for the year ended December 31, 2019 (the ñReporting Dateò), including the accompanying notes (the ñ2019 Consolidated Financial Statementsò), which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis (ñMD&Aò) is intended to assist in understanding the dynamics of the Companyôs business and key factors underlying its financial results.

The 2019 Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (ñIFRSò). All dollar figures referred to herein are Canadian dollars unless otherwise stated. For narrative purposes, all dollar amounts, with the exception of per share amounts, have been presented in thousands of dollars.

Company Overview

ILA is a transformational data analytics organization that provides transparency to the valuation of real estate assets.

ILA provides software and data licenses and technology managed services to the real estate industry, serving primarily the property lending and property tax sectors, both public and private, in the United States (ñUSò) and Canada.

The Companyôs primary offerings are noted below.

Software and Data Licenses:

FusionOMS

Fusion OMS is a web-based platform that enables collaborative next-generation real property valuation solutions to enterprises by leveraging a US nationwide repository of public record and multiple listing service data and providing high velocity automated workflows and interactive reporting.

FusionOMS was developed by Clarocity Inc. and its subsidiaries (ñClarocityò), which was acquired by ILA in July 2019 (see *"Significant Developments"* section herein for further details).

GeoViewPort™

GeoViewPortÊ (ñGVPò) is a web-based platform that empowers the real property assessment industry with a leading-edge desktop review tool. GVP enables assessment professionals to simultaneously generate customized portals to view multiple elements related to a property, including street level imagery, aerial imagery, advanced mapping tools, property valuation details, comparable property analysis, and structural characteristics, amongst others. GVPôs architecture has been built to support a full suite of add-on tools and services including workflow management and mobile functionality.

Real Property Tax Analytics

Real Property Tax Analytics (ñRPTAò) is a web-based platform that analyzes property assessments by leveraging real property data to deliver insightful comparable modeling and predictive valuations using proprietary algorithms. Integration with ILAôs Appeals Management module, which assists public entities in the management of property assessment appeals, has been completed and is now being offered as an additional application available for licensing on the RPTA platform.

Other Software Applications

The Company has developed and/or supports web-based map applications, which leverage much of the architecture and data rendering techniques utilized within GVP, to service constituents of the property tax assessment and appraisal process, including property assessors/appraisers, taxpayers and other public stakeholders.

Data Commercialization

ILA has developed products and services for clients looking to commercialize their data through the delivery of reports and individual data requests to users through secure ecommerce transactions or by account. In addition to standardized reports, the Company also provides customized reports through an assisted fulfillment process.

Technology Managed Services:

Valuation Management Solutions

The Company provides real estate valuation solutions by leveraging its proprietary technology, FusionOMS, to deliver full-spectrum appraisal and broker price opinion services. This offering commenced upon ILAôs acquisition of Clarocity in July 2019.

Property Tax Solutions

The Company provides property tax solutions utilizing the RPTA platform, including the Appeals Management module, to support clients that require a facilitated experience with the Company's technology, and support services focused on the real property assessment sector.

Other Services

The Company also provides services to clients seeking to outsource real property related services to benefit from the efficiencies the Company can provide using its proprietary technology.

ILAôs Common Shares are traded on the TSX Venture Exchange (ñTSXVò) under the symbol ILA and on the US OTCQB under the symbol ILATF.

Significant developments in 2018 and 2019:

2018

In January 2018, the Company issued 1,481,000 Common Shares to Mr. Gary Yeoman, ILAôs Chair and Chief Executive Officer, following the exercise of all of his Series J Warrants. The exercise price of these warrants was $0.15 per share, resulting in gross proceeds to the Company of $222. These warrants were issued to Mr. Yeoman in connection with a private placement completed in January 2013 when Mr. Yeoman joined the Company.

In April 2018, the Company entered into a consulting agreement with Cherre Inc., the developer of an inter-connected market platform that provides residential real estate data to investors and brokerage firms. Under this initiative, Cherre has been engaged as a consultant of iLOOKABOUT to work collaboratively in the development of the ReBloc platform, a decentralized real estate data validation marketplace.

In June 2018, iLOOKABOUT reappointed Venture Liquidity Providers Inc. to provide its market making services, which services will be provided through a registered broker, W.D. Latimer Co. Ltd.

In July 2018, following TSXV approval, the Company initiated a Normal Course Issuer Bid (ñNCIBò), under which it was authorized to purchase up to 5,674,609 common shares of its own capital stock during the period from July 16, 2018 to July 15, 2019. The Company purchased 84,000 of its Common Shares for cancellation under this NCIB.

In September 2018, the Company entered into a multi-year Data Collection and Street-Level Imagery Software Agreement with Lexur Appraisal for services to Montgomery County, Ohio (Dayton).

In October 2018, the Company announced that it had made a $1,000 USD investment in Cherre Inc., the consulting company that iLOOKABOUT is working with in the development of the ReBloc platform, a real estate data validation marketplace.

In November 2018, iLOOKABOUT entered into a non-binding letter of intent with Clarocity Corporation (TSXV:CLY; OTCQB:CLRYF) and StableView Asset Management Inc. (ñStableViewò), to purchase certain assets of Clarocity Corporation, including Clarocity Inc. and its wholly owned subsidiaries Valuation Vision, Inc. and Clarocity Valuation Services, LLC businesses, (together ñClarocity Groupò). In anticipation of the transaction contemplated by the letter of intent, the Company advanced certain funds to Clarocity Corp. under a promissory note which ranked in priority to the secured debenture holders. Total funds advanced under this note were $2,029.

2019 In April 2019, the Company announced the termination of the non-binding letter of intent with Clarocity Corporation and StableView (see above). In April 2019, StableView, as the principal holder of debentures and the lender representative under the several trust indentures, announced its intent to begin enforcement proceedings of its debentures to enforce the security underlying the operating assets of Clarocity Corporation. As a result, iLOOKABOUT and StableView signed a letter agreement for the acquisition by iLOOKABOUT of Clarocity Corporationôs operating assets, being Clarocity Group.

In July 2019, the Company completed the acquisition of Clarocity Group. As a result, the Company now holds 100% of the outstanding shares of Clarocity Inc., Clarocity Valuation Services, LLC and Valuation Vision, Inc. Based in Carlsbad, California, Clarocity provides real estate valuation solutions and platform technologies. Government-sponsored entities, financial institutions, and investors rely on Clarocityôs proprietary solutions to value assets, fund loans, and securitize portfolios. Clarocity provides a full spectrum of appraisal and alternative valuation solutions to the US market. Further details of this acquisition are provided in the Companyôs 2019 Consolidated Financial Statements, including Note 4 thereof.

In October 2019, the Company completed a financing arrangement with Bank of Montrealôs Technology & Innovation Banking Group ("BMO"). The facility consists of a $1.5 million three-year term loan (the ñTerm Loanò) and a $1.5 million revolving credit facility (the ñOperating Facilityò, which together with the Term Loan are referred to herein as, the "Facilities").

- The Facilities are secured by assets of ILA, which primarily consists of intellectual property and accounts receivable. Pursuant to the agreed upon conditions of the Facilities, the Company drew down the full amount of the Term Loan on closing and can draw down additional funds as required on the Operating Facility.
- With respect to the Term Loan, ILA is required to pay interest only for the first twelve months of the term, and thereafter pay equal monthly instalments of principal and interest over the final two years of the loan. The Company may, at its discretion, repay the balance of the Term Loan in whole or in part at any time after twenty-four (24) months following the closing date without penalty or obligation for future interest payments otherwise payable had the Term Loan not been repaid.
- Interest is set at Bank of Montrealôs Prime Rate plus 2.5% per annum for the Operating Facility, and at Bank of Montrealôs Prime Rate plus 4.0% per annum for the Term Loan. The Facilities contain customary financial and restrictive covenants.

Significant developments subsequent to 2019:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and US governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and have resulted in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. See the *Liquidity and Capital Resources – Subsequent event* section below for further detail.

Changes in Accounting Policies

IFRS 16 - Leases

Effective January 1, 2019, the Company adopted IFRS 16, which specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases. IFRS 16 supersedes previous accounting standards for leases, including IAS 17, Leases and IFRIC 4 – Determining whether an arrangement contains a lease. As a result of adopting IFRS 16, the Company has recognized a significant increase to both assets and liabilities on the Consolidated Statements of Financial Position, as well as a decrease in rent expense, with a corresponding increase in amortization (due to depreciation of the right-of-use assets) and increase in finance costs (due to accretion of the lease liability).

The Company's accounting policy under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when (i) there is a change in future lease payments arising from a change in an index or rate, (ii) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or (iii) the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient of not recognizing right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

Impact of adoption of IFRS 16

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly, the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. Right-of-use assets and lease obligations of $761 were recorded as of January 1, 2019, with no net impact on retained earnings (deficit). When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 4.5%.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

The following table reconciles the Companyôs operating lease commitments at December 31, 2018, as previously disclosed in the Companyôs consolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019 (presented in thousands of Canadian dollars):

Operating lease commitments at December 31, 2018	$	722
Discounted using the incremental borrowing rate at January 1, 2019	$	618
Non-lease components included within operating lease commitments		(230)
Recognition exemption for short term leases		(2)
Extension options reasonably certain to be exercised		375
Lease obligations recognized at January 1, 2019	$	761

IFRIC 23 Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (the ñInterpretationò). The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Early application was permitted. The interpretation clarifies the accounting for income tax treatments (current and deferred tax) that have yet to be accepted by tax authorities. The Company adopted the Interpretation in its financial statements effective January 1, 2019 and did not have any quantitative impacts upon adoption. There were no differences in the accounting of the Companyôs income tax treatments under its previous accounting policy and IFRIC 23.

Use of Non-GAAP Financial Measures

Management has included two non-GAAP financial measures to supplement information contained in this MD&A. These non-GAAP measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures employed by other reporting issuers. The non-GAAP measures contained in this MD&A are:

(a) ñAdjusted Working Capitalò, which is defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides meaningful information with respect to the liquidity of the Company. A reconciliation of working capital to Adjusted Working Capital is provided in the section entitled *"Liquidity and Capital Resources – Adjusted Working Capital"*.

(b) ñAdjusted EBITDAò, which is defined and calculated by the Company as earnings (loss) before interest, taxes, depreciation/amortization of property and equipment, intangible assets and right-of-use assets, share-based compensation expense, foreign exchange gains (losses) recorded through profit and loss, and other costs or income that are: (i) non-operating; (ii) non-recurring; and/or (iii) related to strategic initiatives. The Company classifies income or costs as non-recurring if income or costs similar in nature are not reasonably expected to occur within the next two years nor have occurred during the prior two years, and such costs are significant.

Prior to the fourth quarter of 2019, foreign exchange gains (losses) recorded through profit and loss were not included in the Companyôs definition of Adjusted EBITDA.

The table below presents Adjusted EBITDA as calculated under the prior definition and as calculated under the revised definition adopted in the current period.

	Three months ended [1]				Year ended
	March 31	**June 30**	**Sept 30**	**Dec 31**	**Dec 31**
Fiscal 2019					
Adjusted EBITDA[2], as previously defined	$ 476	$ 258	$ 143	$ (872)	$ 5
Adjusted EBITDA[2], under revised	$ 502	$ 289	$ (52)	$ (641)	$ 98
Fiscal 2018 [3]					
Adjusted EBITDA[2], as previously defined	$ 326	$ 225	$ 171	$ 351	$ 1,073
Adjusted EBITDA[2], under revised	$ 263	$ 185	$ 209	$ 302	$ 959

[1] Results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.
[3] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñ*Changes in Accounting Policies*ò above.

Management believes Adjusted EBITDA provides meaningful information with respect to the financial performance and value of the Company, as items that may obscure the underlying trends in the business performance are excluded. A reconciliation of earnings (loss) to Adjusted EBITDA is provided in the section entitled *"Overall Performance and Results of Operations – Adjusted EBITDA Reconciliation."*

These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS.

Selected Annual Information

		Audited				
Years ended December 31		**2019**		**2018**		**2017**
Revenue	$	14,934	$	9,212	$	9,167
Loss		(1,883)		(370)		(238)
Comprehensive loss		(1,169)		(397)		(174)
Loss per share (basic and diluted)		(0.02)		-		-
Total assets		29,733		11,080		10,504
Total liabilities		16,167		3,483		3,126
			Unaudited			
Adjusted EBITDA[1]	$	98	$	959	$	1,247

[1] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

Comparison of the twelve months ended December 31, 2019 and 2018

Revenue increased to $14,934 for the year ended December 31, 2019, as compared to $9,212 for the year ended December 31, 2018. See the *"Discussion of Results of Operations"* section below.

Comprehensive loss increased to $1,169 for the year ended December 31, 2019, as compared to $397 for the year ended December 31, 2018. See *"Discussion of Results of Operations"* section below.

Total assets increased to $29,733 at December 31, 2019, as compared to $11,080 at December 31, 2018. The most significant changes within assets were the following:

- An increase in intangible assets and goodwill of $17,112 which primarily relates to amounts recognized upon the acquisition of Clarocity Group in July 2019;
- An increase of $1,719 in right-of-use assets upon the combination of (i) adoption of IFRS 16 ï *Leases,* effective January 1, 2019, using the modified retrospective method under which the comparative information is not restated, and (ii) the recognition of right-of-use assets related to the acquisition of Clarocity Group in July 2019; and
- A decrease of $973 related to the note receivable, which represents forgiveness of this note receivable as a component of consideration with respect to the acquisition of Clarocity Group in July 2019.

Total liabilities increased to $16,167 at December 31, 2019, as compared to $3,483 at December 31, 2018. The most significant changes within liabilities were the following:

- Increase in convertible debentures of approximately $6,959 issued with respect to consideration paid related to the acquisition of Clarocity Group in July 2019;
- Increase in long-term debt of approximately $1,297 with respect to the Term Facility obtained in October 2019;

- Increase in accounts payable and accrued liabilities of approximately $2,753, primarily attributable to accounts payable assumed upon the acquisition of Clarocity Group in July 2019; and
- Increase in lease obligations of approximately $1,769 upon the combination of (i) adoption of IFRS 16 ï *Leases,* effective January 1, 2019, using the modified retrospective method under which the comparative information is not restated, and (ii) the recognition of right-of-use assets related to the acquisition of Clarocity Group in July 2019.

Comparison of the twelve months ended December 31, 2018 and 2017:

Revenue remained relatively stable at $9,212 for the year ended December 31, 2018, as compared to $9,167 for the year ended December 31, 2017.

Comprehensive loss increased to $397 for the year ended December 31, 2018, as compared to $174 for the year ended December 31, 2017.

Total assets increased to $11,080 at December 31, 2018, as compared to $10,504 at December 31, 2017. The most significant changes within assets were the following:

- An increase in trade and other receivables of approximately $1,152, which was primarily attributable to the recognition of approximately $829 with respect to Ontario Interactive Digital Media Tax Credits (ñOIDMTCò) receivable in 2018 with no comparable amount in 2017. These tax credits receivable relate to expenditures incurred in prior years;
- A note receivable of approximately $973 in respect of a secured loan made by the Company in 2018 to an acquisition target of the Company as part of the November 2018 letter of intent with Clarocity Corporation, with no comparable item in 2017; and
- An equity investment of $1,000 USD (approximately $1,292 CAD as at the date of the investment), made by the Company in a US-based software company, Cherre Inc., with no comparable item in 2017.
- A decrease in cash of approximately $2,887 primarily related to above noted advances made under the note receivable and equity investment, and investment in other strategic initiatives.

Total liabilities increased to $3,483 at December 31, 2018, as compared to $3,126 at December 31, 2017. The most significant changes on a year-over-year basis were the following:

- An increase in unearned revenue of approximately $951 primarily due to:
    - Payments which had been received from two customers in advance of the provision of the related services by the Company, and
    - The recognition of unearned revenue upon the Company agreeing upon a non-monetary transaction to settle an amount payable to a vendor through the provision of services by the Company.
- A decrease in accounts payable and accrued liabilities of approximately $583 primarily due to:
    - The draw-down of $338 in 2018 of an accrual of employee termination related costs which were initially recorded in the fourth quarter of 2017 as payments were made; and
    - The draw-down of a $250 accrual for an amount owed to a vendor, as discussed above, for which an arrangement was made for the Company to provide services to satisfy the liability, at which point the accrued liability was eliminated and the corresponding amount recorded as unearned revenue.

Overall Performance and Results of Operations

Summary of Quarterly Results

The financial information set forth below is derived from, and should be read in conjunction with, ILAôs Consolidated Financial Statements for the three months and year ended December 31, 2019 (the ñReporting Dateò), which can be found on SEDAR at www.sedar.com.

	Three months ended[1]				Year ended
(In thousands of Canadian dollars, except per share amounts)	**March 31**	**June 30**	**Sept 30**	**Dec 31**	**Dec 31**
Fiscal 2019					
Revenue	$ 2,634	$ 2,512	$ 4,810	$ 4,978	$ 14,934
Loss	(26)	(359)	(799)	(699)	(1,883)
Comprehensive loss	(23)	(344)	(164)	(638)	(1,169)
Earnings (loss) per share - basic	-	-	(0.01)	(0.01)	(0.02)
Earnings (loss) per share - diluted	-	-	(0.01)	(0.01)	(0.02)
Adjusted EBITDA, Unaudited[2]	$ 502	$ 289	$ (52)	$ (641)	$ 98
Fiscal 2018[3]					
Revenue	$ 2,392	$ 2,323	$ 2,226	$ 2,271	$ 9,212
Earnings (loss)	147	(390)	(521)	394	(370)
Comprehensive income (loss)	117	(405)	(506)	397	(397)
Earnings (loss) per share - basic	-	-	(0.01)	-	-
Earnings (loss) per share - diluted	-	-	(0.01)	-	-
Adjusted EBITDA, Unaudited[2]	$ 263	$ 185	$ 209	$ 302	$ 959

[1] Results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.
[3] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñ*Changes in Accounting Policies*ò above.

Adjusted EBITDA Reconciliation

The following tables present reconciliations of Earnings (loss) to Adjusted EBITDA, for the periods presented.

	Three months ended[1]				Year ended
(In thousands of Canadian dollars)	**March 31**	**June 30**	**September 30**	**December 31**	**December 31**
Fiscal 2019					
Loss	$ (26)	$ (359)	$ (799)	$ (699)	$ (1,883)
Add back (deduct):					
Amortization of property and equipment	26	27	47	52	152
Amortization of intangible assets	57	61	436	372	926
Amortization of right-of-use assets[3]	45	46	95	49	235
Loss (gain) on derivative asset	-	-	(213)	213	-
Finance costs, net	10	10	134	218	372
Income tax recovery	-	-	-	(645)	(645)
Share-based compensation expense	46	125	20	118	309
Foreign exchange loss (gain) through profit and loss	26	30	(195)	232	93
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives[1]	317	349	422	(550)	538
Adjusted EBITDA, Unaudited[2]	$ 502	$ 289	$ (52)	$ (641)	$ 98
Fiscal 2018[3]					
Earnings (loss)	$ 147	$ (390)	$ (521)	$ 394	$ (370)
Add back (deduct):					
Amortization of property and equipment	22	24	26	31	103
Amortization of intangible assets	59	58	57	57	231
Finance income	(15)	(15)	(15)	(11)	(56)
Income tax recovery	-	-	-	-	-
Share-based compensation expense	15	174	128	93	410
Foreign exchange loss (gain) through profit and loss	(63)	(40)	38	(49)	(114)
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives[1]	99	374	494	(212)	755
Adjusted EBITDA, Unaudited[2]	$ 263	$ 185	$ 208	$ 302	$ 959

[1] Results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.
[3] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñ*Changes in Accounting Policies*ò above.

Discussion of Results of Operations

(In thousands of Canadian dollars)	Unaudited Three months ended December 31, 2019	Unaudited Three months ended December 31, 2018	Audited Year ended December 31, 2019	Audited Year ended December 31, 2018
Revenue	**$ 4,978**	**$ 2,271**	**$ 14,934**	**$ 9,212**
Direct operating expenses	2,815	744	6,778	2,990
Gross margin	**2,163**	**1,527**	**8,156**	**6,222**
Other operating expenses:				
Technology and operations	1,251	731	3,839	2,437
Selling and business development	412	248	1,270	983
General and administration	1,595	1,043	5,523	4,171
	3,258	2,022	10,632	7,591
Loss from operations	**(1,095)**	**(495)**	**(2,476)**	**(1,369)**
Other income	413	829	413	829
Loss on derivative asset	(213)	-	-	-
Finance income (costs)	(218)	11	(372)	56
Foreign exchange gain (loss)	(232)	49	(93)	114
Loss before income tax recovery	**$ (1,344)**	**$ 394**	**$ (2,528)**	**$ (370)**
Income tax recovery	645	-	645	-
Loss for the period	**$ (699)**	**$ 394**	**$ (1,883)**	**$ (370)**
Other comprehensive income (loss):				
Items that will not be reclassified to income (loss) for the period:				
Change in fair value of investment	(27)	73	630	73
Foreign exchange gain (loss) on the translation of foreign operations	87	(69)	84	(100)
Comprehensive income (loss) for the period	**$ (639)**	**$ 398**	**$ (1,169)**	**$ (397)**
Adjusted EBITDA, Unaudited[1]	**$ (641)**	**$ 302**	**$ 98**	**$ 959**

[1] Adjusted EBITDA is an unaudited non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

Revenue

(In thousands of Canadian dollars)	Unaudited Three months ended December 31, 2019			Unaudited Three months ended December 31, 2018		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	$ 249	$ 1,609	$ 1,858	$ 336	$ 1,599	$ 1,935
Technology managed services	2,760	360	3,120	82	254	336
Total	$ 3,009	$ 1,969	$ 4,978	$ 418	$ 1,853	$ 2,271

(In thousands of Canadian dollars)	Audited Year ended December 31, 2019			Audited Year ended December 31, 2018		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	$ 1,385	$ 6,778	$ 8,163	$ 1,426	$ 6,213	$ 7,639
Technology managed services	5,455	1,316	6,771	479	1,094	1,573
Total	$ 6,840	$ 8,094	$ 14,934	$ 1,905	$ 7,307	$ 9,212

Nature of Services and Geographic Information:

The Company generates revenue from the provision of software and data licenses and technology-managed services in the US and Canada.

Revenue increased to $4,978 from $2,271 for the three months ended December 31, 2019 and 2018, respectively, and increased to $14,934 from $9,212 for the years ended December 31, 2019 and 2018, respectively. These increases are primarily attributable to an increase in technology-managed services, which are composed primarily of valuation management solutions provided by Clarocity Group which was acquired by the Company in July 2019.

US-based revenue increased to $3,009 from $418 for the three months ended December 31, 2019 and 2018, respectively, and to $6,840 from $1,905 for the years ended December 31, 2019 and 2018, respectively. These increases are primarily due to the acquisition of Clarocity Group in July 2019, whose revenues are primarily US-based.

Significant Customers:

Customers representing more than 10% of revenue are classified as significant customers.

For the three months ended December 31, 2019, the Company had two significant customers; one represented 25% and the other represented 20% of total revenue. For the three months ended December 31, 2018, the Company had one significant customer; representing 56% of total revenue.

For the year ended December 31, 2019, the Company had two significant customers; one represented 35% and the other represented 14% of total revenue. For the year ended December 31, 2018, the Company had one significant customer; representing 53% of total revenue.

Gross margin

Direct operating expenses included in the calculation of gross margin primarily include fees for subcontracted services to generate revenue, third-party data licensing fees, image capture and processing costs, and human resource costs, including commissions, which are directly attributable to specific sales.

Gross margin increased to $2,163 from $1,527 for the three months ended December 31, 2019 and 2018, respectively and to $8,156 from $6,222 for the years ended December 31, 2019 and 2018, respectively. These increases are primarily attributable to the increases in revenue noted in the *"Revenue"* section above, offset to some extent by increases in direct operating expenses required to support the related revenue.

Comprehensive loss

Comprehensive loss for the three months ended December 31, 2019 was $639 as compared to comprehensive income of $398 for the three months ended December 31, 2018. The decline in results of approximately $1,037 is attributable to the changes noted below that occurred in the fourth quarter of 2019:

- Increase in human resource related costs of approximately $620 attributable primarily to the acquisition of Clarocity in July 2019, of which the most significant operating expenses are human resource related, and increased human resource related costs to support new product development and strategic initiatives;
- Decrease in government assistance income of approximately $420 due to the timing of recognition of the OIDMTC and Scientific Research and Experimental Development (ñSREDò) refunds.
- Increase in amortization expense of approximately $387 primarily attributable to: (i) the commencement of amortization of intangible assets recorded upon the acquisition of Clarocity Group in July 2019, and (ii) the commencement of amortization of right-of-use assets upon the adoption of IFRS 16 ï *Leases*, effective January 1, 2019, using the modified retrospective method under which the comparative information is not restated.
- Increase in finance costs of approximately $229 attributable primarily to (i) accretion of the equity discount with respect to the convertible debentures issued in connection with the acquisition of Clarocity Group, (ii) interest component of lease obligations which commenced on adoption of IFRS 16 ï *Leases*, effective January 1, 2019, using the modified retrospective method under which the comparative information is not restated, (iii) interest on the Term Facility obtained in October 2019, and (iv) amortization to debt issuance costs with respect to the Convertible Debentures and Term Facility.
- Increase in licensing fees not included in cost of sales of approximately $217 related primarily to data, software and regulatory compliance fees required by Clarocity Group for the delivery of services.
- Change in the fair value of a derivative of approximately $213 embedded in the convertible debenture issued as a component of the consideration for the acquisition of Clarocity Group in July 2019.
- Increase in bad debt expense of approximately $185 primarily related to the assessment of the expected credit loss with respect to a non-trade receivable.
- Fluctuating exchange on U.S. dollar denominated items and the translation of foreign operations which generated a negative change of approximately $124.
- Decrease in fair value of a US dollar denominated investment of approximately $100 related to changes in foreign exchange rates.
- Various other fluctuations represented a net increase in operating expense of approximately $61.

The above noted increases in expenses were reduced to some extent by the changes noted below:

- Increase in income tax recovery related to the recognition of a deferred tax liability of $645 attributable to temporary differences that arose upon the acquisition of Clarocity Group.
- Increase in gross margin of approximately $637 for the reasons noted in the *"Gross Margin"* section above.
- Decrease in insurance, regulatory and professional fees of approximately $237.

Comprehensive loss for the year ended December 31, 2019 increased to $1,169 from $397 for the year ended December 31, 2018. This approximate increase of $772 in comprehensive loss is attributable to the changes noted below:

- Increase in human resource related costs of approximately $1,929 attributable primarily to the acquisition of Clarocity in July 2019, of which the most significant operating expenses are human resource related, and increase in human resource related costs to support new product development and strategic initiatives;
- Increase in amortization not included in cost of sales of approximately $974 attributable primarily to (i) the commencement of amortization of intangible assets recorded upon the acquisition of Clarocity Group in July 2019, and (ii) the commencement of amortization of right-of-use assets upon the adoption of IFRS 16 ï *Leases*, effective January 1, 2019, using the modified retrospective method under which the comparative information is not restated.
- Increase in finance costs of approximately $428 attributable primarily to (i) accretion of the equity discount with respect to the convertible debentures issued in connection with the acquisition of Clarocity Group in July 2019, (ii) interest component of lease obligations which commenced on adoption of IFRS 16 ï *Leases*, effective January 1, 2019, using the modified retrospective method under which the comparative information is not restated, (iii) interest on the Term Facility obtained in October 2019, and (iv) amortization to debt issuance costs with respect to the Convertible Debentures and Term Facility. These increases in finance costs were reduced to some extent by an increase in finance income due to interest received on the OIDMTC refunds.
- Increase in licensing fees not included in cost of sales of approximately $389 related primarily to data, software and regulatory compliance related fees required by Clarocity Group, acquired in July 2019, for the delivery of services.
- Decrease in government assistance income of approximately $386 due to the timing of recognition of the OIDMTC and SRED refunds.
- Increase in bad debt expense of approximately $166 primarily related to the assessment of the expected credit loss with respect to a non-trade receivable.

The above noted increases in expenses were reduced to some extent by the changes noted below:

- Increase in gross margin of approximately $1,934 for the reasons noted in the *"Gross Margin"* section above.
- Increase in income tax recovery related to the recognition of a deferred tax liability of $645 attributable to temporary differences that arose upon the acquisition of Clarocity Group.
- Increased gain on the change in the fair value of an investment of approximately $556.
- Decrease in insurance, regulatory and professional fees of approximately $269.
- Various other fluctuations represented a net increase in operating expense of approximately $96.

Adjusted EBITDA

(In thousands of Canadian dollars)	Unaudited Three months ended December 31, 2019[1]	Unaudited Three months ended December 31, 2018[1]	Audited Year ended December 31, 2019	Audited Year ended December 31, 2018
Income (loss) for the period	**$ (699)**	**$ 394**	**$ (1,883)**	**$ (370)**
Add back (deduct):				
Amortization of property and equipment	52	31	152	103
Amortization of intangible assets	372	57	926	231
Amortization of right-of-use assets[2]	49	-	235	-
Loss on derivative asset	213	-	-	-
Finance (income) costs	218	(11)	372	(56)
Income tax recovery	(645)	-	(645)	-
Share-based compensation expense	118	93	309	410
Foreign exchange gain (loss) through profit and loss	232	(49)	93	(114)
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives	(550)	(212)	538	755
Adjusted EBITDA, Unaudited[3]	**$ (641)**	**$ 302**	**$ 98**	**$ 959**

[1] Results are Unaudited.
[2] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñ*Changes in Accounting Policies*ò above.
[3] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

Adjusted EBITDA decreased to ($641) from $302 for the three months ended December 31, 2019 and 2018, respectively; and decreased to $98 from $959 for the years ended December 31, 2019 and 2018, respectively.

Explanations for the changes in Revenue, Gross Margin and Comprehensive Loss, which drove much of the changes in Adjusted EBITDA, are described in the sections above.

Included in the calculation of Adjusted EBITDA for the three months ended December 31, 2019 are income or costs related to non-operating items, non-recurring items and/or strategic initiatives totaling a deduction of approximately $550. The additions to income (loss) in the calculation of Adjusted EBITDA relate primarily to costs incurred with respect to corporate marketing initiatives. The offsetting deductions to income (loss) primarily relate to OIDMTCs recorded in the third quarter of 2019 and credits received with respect to certain previously recognized expenses related to corporate initiatives.

Included in the calculation of Adjusted EBITDA for the year ended December 31, 2019 are income or costs related to non-operating items, non-recurring items and/or strategic initiatives totaling an addition of approximately $538. The deductions to income (loss) in the calculation of Adjusted EBITDA relate primarily to Clarocity Group acquisition costs, development of a new platform and corporate marketing initiatives. The offsetting deductions to income (loss) primarily relate to OIDMTCs recorded in the third quarter of 2019 and the reduction of credits received with respect to certain previously recognized expenses related to corporate initiatives.

Outstanding Share Data and Dividends

As at December 31, 2019, the Company had the following securities issued and outstanding:

- 108,651,784 Common Shares;
- 4,877,278 Deferred Share Units convertible into an equal number of Common Shares;
- Warrants to purchase 20,000,000 Common Shares, exercisable at prices ranging from $0.20 to $0.40 per share;
- Options to purchase 6,648,000 Common Shares, exercisable at prices ranging from $0.13 to $0.335 per share; and
- $8,700 convertible debentures, with a conversion price of $0.30 per share.

The Company did not declare any dividends in the Period.

There were no share related transactions subsequent to the Period.

Liquidity and Capital Resources

Adjusted Working Capital

Adjusted Working Capital (a non-GAAP measure; see section entitled *"Use of Non-GAAP Financial Measures" above*) is defined and calculated by the Company as current assets less current liabilities (as shown on the consolidated Statement of Financial Position), excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides more meaningful information with respect to the liquidity of the Company than does Working Capital.

Changes in Adjusted Working Capital (in thousands of Canadian dollars) are presented in the table below.

(In thousands of Canadian dollars)		December 31, 2019		December 31, 2018[1]
Working Capital (GAAP measure)	$	895	$	4,471
Less: Prepaid expenses and other current assets		(640)		(373)
Less: Contract assets, current portion		(70)		(110)
Add: Unearned revenue, current portion		1,389		2,198
Adjusted Working Capital (Non-GAAP measure)	**$**	**1,574**	**$**	**6,186**

[1] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñ*Changes in Accounting Policies*ò above.

The most significant changes in Adjusted Working Capital were as follows:

- A decrease in cash of approximately $693, which was primarily attributable to the net impact of the following:
  - Cash outflows of approximately $4,305 related to (i) advances made to Clarocity Corporation, the parent company of Clarocity Group, under a secured promissory note (the ñClarocity Noteò); (ii) operating losses of Clarocity Group from the date of acquisition to the end of the year; (iii) the pay down of Clarocity Group vendor payables, and; (iv) expenditures made with respect to strategic initiatives, including acquisition transaction costs.
  - Cash inflows of approximately $3,612 related to (i) funds received under the BMO Term Loan; OIDMTC; (ii) a cash balance obtained upon the acquisition of Clarocity Group; and (iii) proceeds received from the exercise of stock options.

- An increase in trade and other receivables of approximately $319 primarily attributable to the net impact of the following:
  - The inclusion of trade receivables of Clarocity Group upon acquisition.
  - A decrease in receivables related to the collection of OIDMTC tax refunds.
  - Other differences related to timing of billing and collection of client invoices.
- A decrease in the note receivable of approximately $973 attributable to cancellation of the Clarocity note receivable as a component of the consideration paid for the Companyꞌs acquisition of Clarocity Group.
- An increase in accounts payable and accrued liabilities of approximately $2,753 primarily due to the assumption of vendor accounts payable of Clarocity Group upon acquisition and differences related to timing of invoicing and payment of vendor invoices.
- An increase of approximately $330 related to current lease obligations resulting from the Companyꞌs adoption of IFRS 16 - *Leases* effective January 1, 2019 using the modified retrospective method. Under this method, the comparative information for previous periods is not restated, which resulted in the recognition of a current lease obligation of approximately $330 as at December 31, 2019, as compared to a balance of nil as at December 31, 2018.
- An increase of approximately $182 related to the current portion of long term debt which is attributable to the requirement for the Company to commence principal repayment with respect to the Term Facility in October 2020, with no comparable debt repayment requirements for the prior year.

Cash Flows

Cash flows provided by and used in operating, financing and investing activities for the year ended December 31, 2019 and 2018 are presented below.

		Audited		
(In thousands of Canadian dollars)		**Year ended**		
Cash flow provided by (used in)		**December 31, 2019**		**December 31, 2018[1]**
Operating activities	$	(1,069)	$	(620)
Financing activities		1,066		195
Investing activities		(1,377)		(2,508)
Cash obtained from acquisition		699		-
Effect of exchange rate fluctuations on cash		(12)		46
	$	**(693)**	**$**	**(2,887)**

[1] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See *"Changes in Accounting Policies"* above.

The changes in cash sources and uses for the year ended December 31, 2019 as compared to the same period in the prior year are explained below.

(i) The increase in cash used in operating activities of approximately $449 is primarily attributable to the net impact of the following:

- Increase in cash used in operations of approximately $3,103, primarily related to the operating losses of Clarocity Group from the date of acquisition in 2019 to the end of the year, and changes in non-cash operating assets and liabilities.
- Decrease in cash used in operations of approximately $1,310 primarily due to a decrease in expenditures with respect to certain strategic initiatives and the timing of related payments, and the change in classification of cash used for lease payment from operations to financing activities upon adoption of IFRS 16 ï *Leases* effective January 1, 2019, using the modified retrospective method under which the comparative information for previous periods is not restated.

- Increase in cash provided by operations of approximately $1,344 related to the receipt of OIDMTC tax refunds.

(ii) The increase in cash provided by financing activities of approximately $871 is primarily attributable to the net impact of the following:

- Net proceeds from the issuance of the Term Loan and stock options exercised in 2019 was approximately $1,332, as compared to net proceeds from the exercise of warrants in 2018 for approximately $222, for a net increase in cash provided by financing activities of $1,110.

- An increase in cash used in financing activities of approximately $260 related to the change in classification of cash used for lease payment from operations to financing activities upon adoption of IFRS 16 ï *Leases* effective January 1, 2019, using the modified retrospective method under which the comparative information for previous periods is not restated.

- A decrease in cash used for financing activities of approximately $21 due to the Company not purchasing any of its shares for cancellation in the current year and decreased required payments with respect to debt financing of vehicles.

(iii) The decrease in cash used by investing activities of approximately $1,131 is primarily attributable to the net impact of the following:

- An equity investment of approximately $1,292 ($1,000 US dollars) made in 2018, with no equity investments made in 2019.

- A decrease of approximately $183 in equipment and software expenditures.

- An increase in the advance of funds by the Company under a secured note receivable of approximately $83, which note was forgiven upon the acquisition of Clarocity Group in July 2019 as a component of the purchase consideration.

(iv) The Company acquired cash of approximately $699 upon the acquisition of Clarocity in July 2019. This amount is reported outside of the classifications of operating, financing and investing activities.

Contractual cash outflows:

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments at December 31, 2019 and 2018.

As at December 31, 2019	Carrying Amounts	Contractual cash outflows Total	within 1 year	1 - 2 years	2 - 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 3,737	$ 3,737	$ 3,737	$ -	$ -	$ -
Long-term debt	1,303	1,831	307	869	655	-
Lease obligations	1,769	1,978	402	414	1,134	28
Purchase commitments	-	5,564	451	453	1,240	3,420
	$ 6,809	$ 13,110	$ 4,897	$ 1,736	$ 3,029	$ 3,448

As at December 31, 2018	Carrying Amounts	Contractual cash outflows Total	within 1 year	1 - 2 years	2 - 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 984	$ 984	$ 984	$ -	$ -	$ -
Debt financing of vehicles	6	6	6	-	-	-
Lease commitments[1]	-	722	187	243	292	-
Purchase commitments	-	4,669	239	311	907	3,212
	$ 990	$ 6,381	$ 1,416	$ 554	$ 1,199	$ 3,212

[1] Contractual cash flows in relation to leases are undiscounted, include non-lease components (i.e. common area maintenance expenses) and include periods covered by an option to extend if the Company is reasonably certain to exercise that option.

Credit facilities:

Term Loan:

The Company has a three year Term Loan of $1,500 which has a maturity date of October 11, 2022. The Company is required to pay interest only for the first twelve months of the term, and thereafter pay equal monthly instalments of principal and interest over the final two years of the loan. The Company may, at its discretion, repay the balance of the Term Loan in whole or in part at any time after twenty-four (24) months following the closing date without penalty or obligation for future interest payments otherwise payable had the Term Loan not been repaid. Interest is set at Bank of Montrealôs Prime Rate plus 4.0% per annum.

Operating Facility:

The Company has $1,500 revolving credit facility. Availability of funds under this facility is limited to the lesser of $1,500 and the sum of 75% of eligible Canadian domiciled accounts receivable and 60% of eligible U.S. domiciled accounts receivable, less priority payables. As at December 31, 2019, the Company has not drawn on the Operating Facility. Interest is set at Bank of Montrealôs Prime Rate plus 2.5% per annum.

The Facilities are secured by assets of ILA, which primarily consists of intellectual property and accounts receivable. The Facilities contain customary financial and restrictive covenants. The Company was in compliance with the restrictive covenants as at December 31, 2019.

Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and US governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and have resulted in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

To date, the Companyôs US-based Managed Services revenues have been negatively impacted the most due to the current US moratoriums on certain foreclosures, currently expected to be imposed until August 31, 2020. This line of business facilitates, through a technology-based platform, real property appraisals with client concentration in the default and foreclosure segment.

The most significant impact to the Companyôs Canadian based revenue has been requests from clients for deferral of the payment of invoices, moderate transactional revenue decreases and delays of new initiatives that would otherwise have progressed at a more rapid pace.

Given the negative impact on operating cash inflows due to the above noted reasons, the Company has leveraged additional financial resources and government-based programs to compensate for this temporary downturn. Specifically, subsequent to December 31, 2019, the Company has obtained funding of $252 under the following Canada Emergency Wage Subsidy (ñCEWSò) program, and funding of $664 ($488 USD) under the U.S. based Paycheck Protection Program (ñPPPò) under the Coronavirus Aid, Relief, and Economic Security Act (the ñCARES Actò). The CEWS funding is not required to be repaid by the Company. The PPP funding is in the form of a forgivable loan, with forgiveness to be granted provided that the Company uses the funds for approved uses, staff levels based on proscribed calculations are maintained and wage levels are not reduced beyond 25% for the prescribed measurement periods to be assessed as of June 30, 2020. Based on current interpretations of the legislation, the Company currently expects that the majority, if not all, of amounts received under the PPP loan will be forgiven.

The current challenging economic climate may lead to adverse changes in cash flows, working capital levels, and/or debt balances, which may also have a direct impact on the Companyôs operating results and financial position in the future. Decreases in cash flows and results of operations may have an impact on the inputs and assumptions used in significant accounting estimates, including managementôs assessment of future compliance with financial covenants, and potential impairments of goodwill, long-lived assets and investment. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

Transactions with Related Parties

Consulting services:

To provide for ongoing support and development of certain software purchased from Yeoman & Company Paralegal Professional Corporation (ñYCPò), the Company entered into a consulting agreement with YCP (the ñConsulting Agreementò) that expires in December 2034. The Consulting Agreement provides for an annual fee of $265 thousand, with annual increases in line with any increases in the Consumer Price Index, plus 15% of consideration received by the Company from end customers (the ñYCP Feesò) for use of this software. For the year ended December 31, 2019, the Company paid $432 (2018 ï $393) to YCP under the Consulting Agreement, which was included in direct operating expense and technology expense. Two of the principals of YCP are the sons of the Chair and Chief Executive Officer of the Company.

Real Property Rental:

One of the premises occupied by the Company is rented on a month-to-month basis from a company owned, in part, by a director and officer of the Company. For the year ended December 31, 2019, the Company paid rent to this company of $12 (2018 - $12), which is included in general and administration expense.

Consolidated Entity:

As required under the *Law Society Act* (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. The Chair and Chief Executive Officer of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of this professional corporation; however, the Company controls the entity through contractual arrangements, which provide, among other things, that all economic benefit or loss resulting from the entity will be received or borne by the Company.

These transactions are in the normal course of operations and are measured at the transaction amount, being the amount of consideration established and agreed to by the related parties.

Off-Balance Sheet Arrangements

As at December 31, 2019, the Company had no off-balance sheet arrangements, such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company, and the Company does not expect to enter into any in the near to mid-term.

Financial Instruments

The Companyøs financial instruments consist of cash, trade and other receivables, equity investment, accounts payable and accrued liabilities and convertible debentures. Management does not believe that these financial instruments expose the Company to any significant interest, currency or credit risks.

Risk Factors

Risks Related to Business and Industry

The Company is dependent on its key customers/partners and if it is unable to maintain and renew its existing agreements with these customers/partners on commercially favourable terms, its revenue will be materially adversely affected.

Customers representing more than 10% of the Companyøs revenue are classified as significant customers. For the year ended December 31, 2019, the Company had two significant customers; one represented 35% and the other represented 14% of total revenue. It is expected that these customers will continue to represent a material concentration of the Companyøs total revenue. If iLOOKABOUT is unable to maintain and/or renew its existing agreements with these customers on commercially favourable terms, its revenue will be materially adversely affected.

Competitive products and technologies may reduce demand for iLOOKABOUT's products and technologies.

The Companyøs success depends upon maintaining its competitive position in the commercialization of products and technologies in its area of expertise. Additional competitors to iLOOKABOUT may arise as a result of developing similar technology and products/related products. Some of the Companyøs existing competitors have substantially greater research and development capabilities, experience and distribution networks, and/or financial and managerial resources than iLOOKABOUT and represent a significant competitive threat. There is no assurance that developments by others will not render iLOOKABOUTøs products or technologies non-competitive or obsolete, or that the Companyøs products will be able to maintain the level of acceptance within the targeted market sectors necessary to compete successfully. iLOOKABOUT is aware of several potential competitors that are at various stages of development for the sale or licensing of imaging products, work flow management products, data analytics and related products and services. The success of the Companyøs competitors and their products may have a material adverse impact on iLOOKABOUTøs business, financial condition and results of operations.

If iLOOKABOUT fails to hire or retain key personnel, the implementation of its business plan could slow its business and future growth could suffer.

The Companyøs success depends in large part upon its ability to attract and retain highly qualified personnel, particularly in the areas of engineering, programming, geo-spatial information systems, database development, database administration and sales and marketing. Competition for such resources from other companies, academic institutions, government entities and other organizations is intense, and the Companyøs financial resources may place iLOOKABOUT at a competitive disadvantage in respect to compensation and benefit matters. In particular, iLOOKABOUT depends on its senior management team. There is no assurance that iLOOKABOUT will retain its current key personnel or will be able to continue to attract additional qualified personnel as required, and any failure to do so could slow implementation of its business plan or future growth. Should certain key management positions need to be replaced, there would likely be a significant adverse financial impact to the Company.

iLOOKABOUT's operations could be disrupted if it is unable to retain certain licenses required to operate.

The Company requires certain licenses to operate in the US property appraisal market, which licenses are provided on a state-by-state basis. If such licenses are suspended or are unable to be renewed, the Companyøs operating results could be materially impacted.

iLOOKABOUT's operations could be disrupted if its information systems fail or if it is unsuccessful in implementing necessary technical upgrades.

The Companyøs business depends on the operation and connectivity of its servers, which store and process the imagery and associated data collected with its proprietary technology. Although the Company has implemented numerous redundancy initiatives to protect its image library, due to resource constraints, iLOOKABOUT has not yet fully implemented its planned comprehensive redundancy program for its systems. If some of its systems were to fail or the Company was unable to successfully expand the capacity of these systems or integrate new technologies into its existing systems as required, iLOOKABOUTøs operations and financial results could suffer. For example, any connectivity or operation failure of its servers may result in the Companyøs customers being unable to access image data, which may result in iLOOKABOUT being in default of its contractual obligations to certain existing customers or negatively impact its ability to obtain new ones. Furthermore, any catastrophic failure to its servers could result in the partial or complete loss of image data collected by iLOOKABOUT to date. While the Company maintains a comprehensive insurance program to mitigate these and other potential losses, it cannot be guaranteed to what extent such insurance coverage would address this risk.

Much of iLOOKABOUT's potential success and value lies in its ownership and use of intellectual property and its failure or inability to protect its intellectual property could negatively affect its business.

iLOOKABOUT has filed a number of patent applications, primarily in Canada and the United States. The patent positions of technology companies can be highly uncertain and involve complex legal and factual questions. Therefore, there can be no assurance that any patent applications made by or on behalf of iLOOKABOUT will result in the issuance of patents, that it will develop additional proprietary products that are patentable, that any patents issued or licensed to the Company will provide iLOOKABOUT with any competitive advantage or will not be challenged by third parties, or that the intellectual property of others will not be able to circumvent the patents issued to iLOOKABOUT. Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of iLOOKABOUTøs products or, if patents are issued to the Company, design around iLOOKABOUTøs patented products.

Since patent applications are maintained in secrecy for a period of time after filing, and since publication of discoveries in the scientific or patent literature often lag behind actual discoveries, iLOOKABOUT cannot be certain that its inventor of its patents was the first creator of inventions covered by pending applications, or that it was the first to file patent applications for such inventions. There can be no assurance that iLOOKABOUTøs patents, as or if issued, will be held valid or enforceable by a court or that a competitorøs technology or product would be found to infringe such patents.

As the development of iLOOKABOUTøs products continue, the potential uses of such products may overlap with those of other products and, as a result, may increasingly become subject to claims of infringement. There can be no assurance that third parties will not assert infringement claims against iLOOKABOUT in the future or require iLOOKABOUT to obtain a license for the intellectual property rights of third parties. There can be no assurance that such licenses, if required, will be available on reasonable terms or at all. If the Company does not obtain such licenses, it could encounter delays in the delivery or fulfilment of its contractual obligations or could find that the licensing of its intellectual property to customers is prohibited or materially limited.

Much of iLOOKABOUTøs know-how and technology may not be patentable, and to protect its rights, iLOOKABOUT requires employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance that these agreements will provide meaningful protection for iLOOKABOUTøs trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

Litigation may be necessary to enforce iLOOKABOUTøs rights in its intellectual property or to determine the scope and validity of a third partyøs proprietary rights. iLOOKABOUT could incur substantial costs if litigation is required to defend itself in any intellectual property rights suit brought by third parties or if it initiates a patent infringement claim against a third party, and there can be no assurance that iLOOKABOUT would prevail in any such actions. An adverse outcome in litigation or in an interference or other proceeding in a court or patent office could subject iLOOKABOUT to significant liabilities, require disputed rights to be licensed from other parties or require iLOOKABOUT to cease using certain technology or products, any of which may have a material adverse effect on iLOOKABOUT and its operations.

The iLOOKABOUT StreetScape™ product may capture images that are made available to third parties in violation of applicable privacy laws.

Most jurisdictions have laws relating to personal privacy rights that may or may not be infringed when a personôs face or other personal identifying information is captured and forms part of the Companyôs image data, including that collected using iLOOKABOUTôs StreetScapeÊ technology. If such image data is determined to violate such rights or laws, iLOOKABOUT could face costly litigation, penalties or fines and the diversion of Managementôs attention and resources to deal with such issues. Certain customer agreements entered into by iLOOKABOUT require that the images provided under such agreement comply with all applicable privacy legislation. While iLOOKABOUT has developed algorithms that automate the scanning for personal identifying images and blurring such information, the ability of such algorithms to identify all offending images has yet to be determined. As a response, iLOOKABOUT may have to develop additional or alternative operational or technical means to avoid any such infringement, which will require additional resources and may delay or prevent the Company from meeting its business objectives.

Risks Related to Financial Condition

iLOOKABOUT's quarterly revenues and operating results may fluctuate.

Factors which may cause our revenues and operating results to fluctuate include:

- the demand for our software products and the market conditions for technology spending;
- patterns of capital spending and changes in budgeting cycles by our customers;
- our ability to acquire or develop (independently or through strategic relationships with third parties), to introduce and to market new and enhanced versions of our software products on a timely basis;
- the number, timing and significance of new software product announcements and releases by us or our competitors;
- the level of software product and price competition;
- the geographical mix of our sales, together with fluctuations in foreign currency exchange rates;
- market acceptance of new and enhanced versions of our software products;
- changes in personnel and related costs;
- the amount and timing of operating costs and capital expenditures relating to the expansion of our business;
- changes in the pricing and the mix of software solutions that we sell and that our customers demand; and
- seasonal variations in our sales cycles.

In addition, potential new customer related revenue may fluctuate significantly on a quarterly and annual basis in the future, as a result of a number of factors, many of which are outside of our control. Attracting new customers requires them to make decisions on selecting from different providers that is a significant decision process that is not made quickly or without significant due diligence.

iLOOKABOUT has a history of operating losses and negative cash flow from operations. If the Company does not achieve sufficient revenues or profitability in the future to be self-sustaining, the Company may require additional financing. iLOOKABOUT cannot assure that such additional financing will be available on terms acceptable to it, if at all.

Since the inception of the Company and its predecessors, the business has incurred significant losses and negative cash flow from operations. iLOOKABOUT cannot assure that it will achieve sufficient revenues from sales of its products to achieve profitability or positive cash flow from operations.

Should the Company be unable to generate sufficient cash resources through its operating activities on a consistent basis, the Company would need to raise additional funds to be utilized for general working capital purposes, marketing and business development activities, additional data capture and continued research and development activities. These funds may be raised through public or private equity or debt financings, collaborative arrangements with third parties and/or from other sources. iLOOKABOUT cannot assure that additional financing will be available on terms acceptable to it, if at all. Any such financing may have a dilutive effect on the holdings of shareholders.

If adequate funds are not available as required, the Company may be required to reduce its investment in strategic initiatives, reduce the scope of its image data capture initiatives, significantly scale back or cease operations, sell or license some of its proprietary technology on terms that are less favourable than it otherwise might have been if it were in a better financial position, or consider merging with another company or positioning itself to be acquired by a third party.

iLOOKABOUT's operating results may be subject to currency fluctuations.

To date, the Company's operations have largely been based in Canada and/or are compensated in Canadian dollars. However, given the recent expansion and planned continued expansion in the US, the Company expects that a significant portion of its future revenues and expenses will be denominated in US dollars. The exchange rate between the Canadian dollar and the US dollar, or other foreign currencies, is subject to day-to-day fluctuations in the currency markets and these fluctuations in market exchange rates are expected to continue in the future. iLOOKABOUT does not engage in currency hedging activities at this time. The Company may be subject to risks associated with these currency fluctuations, which may, from time to time, impact its financial position and results.

iLOOKABOUT's intangible assets and goodwill may be subject to impairment losses.

The Company periodically reviews the estimated value of acquired intangibles and goodwill to determine whether any impairment exists and we could write-down a portion of our intangible assets and goodwill as part of any such future review, which occurs when impairment indicators exist or, in the case of goodwill, at least once annually. Any write-down of intangible assets or goodwill in the future could affect our results of operations materially and adversely and as a result our share price may decline.

iLOOKABOUT may have exposure to unforeseen tax liabilities.

The Company is subject to federal, provincial and state taxes as well as non-income based taxes, in Canada and the United States and our tax structure is subject to review by numerous taxation authorities. Significant judgment is required in determining our provision for income taxes and other tax liabilities. There are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Although we strive to ensure that our tax estimates are reasonable, we cannot assure you that the final determination of any tax audits and litigation will not be different from what is reflected in our historical income tax provisions, accruals and/or disclosures, and any such differences may materially affect our operating results for the affected period or periods. We also have exposure to additional non-income tax liabilities. We are subject to non-income taxes, such as payroll, sales, use, property and goods and services taxes, in Canada and the United States.

Risks Related to the Company's Securities

The market price and trading volume of iLOOKABOUT's securities may be volatile.

The market price of the Company's Common Shares may experience significant volatility, which could be in response to numerous factors, including quarterly variations in results of operations; announcements of new customer contracts and data capture progress or technological innovations or new products by it, its customers or competitors; government regulations; developments concerning proprietary rights; litigation; announcements of acquisitions or dispositions; general fluctuations in the stock market; or actual revenues and results of operations being below the expectations of the public market. Any of these, or other factors, could result in significant fluctuations in the market price of the Company's securities.

The market capitalization for the Company's listed Common Shares is relatively small and as a result, the trading in such shares may be subject to limitations in liquidity and greater price volatility. As a result, holders of iLOOKABOUT Common Shares may be required to hold their shares for an indefinite period of time or sell them at a loss.

The Company does not intend to pay any cash dividends in the short or medium term.

iLOOKABOUT does not expect to pay cash dividends in the foreseeable future. If the Company generates earnings in the short to medium term, these funds will be retained to finance further growth and, when appropriate, retire its outstanding debt, if any. iLOOKABOUT's Board of Directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time and its future cash requirements.

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as ñmayò, ñwillò, ñexpectò, ñintendò, ñanticipateò, ñplanò, ñforeseeò, ñbelieveò or ñcontinueò or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Managementôs expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Companyôs actual results in future periods to differ materially from those expressed or implied in this MD&A. While Management considers the assumptions upon which such forward-looking statements are based to be reasonable and appropriate in light of the current information available to it, there is risk that such assumptions may not be correct or complete.

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Companyôs stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Companyôs dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Additional information relating to ILA, including the Companyôs 2019 Annual Consolidated Financial Statements, can be found on SEDAR at www.sedar.com.