SUMMARY FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

May 8, 2019

All amounts herein are in U.S. Dollars unless otherwise stated.

OVERVIEW

The following "Summary Financial Information and Management's Discussion and Analysis of Results of Operations and Financial Condition" ("MD&A") was prepared by Management of ProntoForms Corporation ("ProntoForms" or the "Company") and approved by the Board of Directors of the Company (the "Board of Directors"). Throughout this MD&A, unless otherwise specified, "ProntoForms", "Company", "we", "us" and "our" refer to ProntoForms Corporation and its subsidiaries.

This interim MD&A is an update of management's discussion and analysis provided in the Company's annual filings dated April 11, 2019 and filed on www.SEDAR.com and includes a discussion of the results of operations and cash flows for the three months ended March 31, 2019. Such discussion and comments on liquidity and capital resources of the Company should be read in conjunction with the unaudited interim financial report for the three months ended March 31, 2019. The interim financial report has been prepared in U.S. Dollars and using International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB").

Management is responsible for ensuring that processes are in place to provide enough knowledge to support the representations made in the interim filings. Our Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Company and have reviewed this MD&A and the accompanying financial statements.

Alvaro Pombo, Chief Executive Officer, and David Croucher, Chief Financial Officer, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the interim financial report and this MD&A (the "Interim Filings") and that, based on their knowledge having exercised reasonable diligence, that (a) the interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the interim filings; and (b) the interim financial report together with the other financial information included in the interim Filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in the interim Filings.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis Disclosure Controls and Procedures and Internal Controls over Financial Reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORWARD LOOKING STATEMENTS

Certain statements in this MD&A may constitute forward-looking statements, including those identified by the expressions such as "anticipate", "believe", "estimate", "expect", "foresee", "intend", "plan", or similar expressions to the extent that they relate to the Company or its management. The forward-looking statements are not historical facts but reflect the Company's current assumptions and expectations regarding future events. Forward-looking statements in this MD&A include but are not limited to statements regarding subscriber additions, the variability of our revenues going forward, anticipated market trends and technology adoption by our customers and industry peers, anticipated growth in revenue and expenses, the potential impacts of additional expenditures on revenue growth rates, the sufficiency of cash on hand and the Company's ability to obtain financing necessary to continue operations. There can be no assurance that such statements will prove to be accurate, and actual results and future events may differ materially from those anticipated in such statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations and assumptions, including but not limited to the following: (i) there can be no assurance that the Company will earn any profits in the future or that profitability, if achieved, will be sustained; (ii) if the Company is not able to achieve profitability, it will require additional equity or debt financing, and there can be no assurances that the Company will be able to obtain additional financial resources on favorable commercial terms or at all; (iii) the Company's quarterly revenues and operating results may fluctuate, which may harm its results of operations; (iv) the loss of business from a major customer, operator or other reseller could reduce the Company's sales and harm its business and prospects; (v) a portion of the Company's sales are through operators and other resellers, and an adverse change in the Company's relationship with any of such operators or other resellers may result in decreased sales; (vi) the market for software as a service is at a relatively early stage of development, and if it does not develop or develops more slowly than expected, the Company's business will be harmed; (vii) the Company faces competition from other software solution providers, which may reduce its market share or limit the prices it can charge for its software solutions; (viii) a global economic downturn or market volatility may adversely affect our business and/or our ability to complete new financings; (ix) the business of the Company may be harmed if it does not continue to penetrate markets; (x) the success of the business depends on the Company's ability to develop new products and enhance its existing products; (xi) the Company's growth depends in part on the success of its strategic relationships with third parties; (xii) the financial condition of third parties may adversely affect the Company; (xiii) the US dollar may fluctuate significantly compared to the Canadian dollar, causing fluctuations in earnings and cash flow as most of our revenues are received in US dollars while most of our expenses are payable in Canadian dollars; (xiv) subscription services which produce the majority of the Company's revenue are hosted by a third party service for the Company and any interruption in service could harm its results of operations; (xv) the Company may be liable to its customers or third parties if it is unable to collect data or it otherwise loses data; (xvi) the Company may be liable for the handling of personal information; (xvii) intellectual property claims against the Company may be time consuming, costly to defend, and disruptive to the business; (xviii) the Company uses open source software in connection with its products which exposes it to uncertainty and potential liability; (xix) economic uncertainty and downturns in the software market may lead to decreases in the Company's revenue and margins; (xx) any significant changes in the technological paradigm utilized for building or delivering applications in Smartphone devices could harm the Company's business and prospects; and (xxi) if the Company loses any of its key personnel, its operations and business may suffer. Please see the Company's MD&A for the year ended December 31, 2018 filed on www.SEDAR.com and dated April 11, 2019 for a more complete discussion of these and other risks. Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

BUSINESS OVERVIEW

ProntoForms' mobile workflow solution is used in over 2,500 businesses to collect and analyze field data with smartphones and tablets. The solution is an intuitive, secure, and scalable software as a service (SaaS) for rapidly mobilizing field business processes with a low total cost of ownership. The solution can be used standalone, or as a mobile-first front end to existing systems of record. The solution is a no code platform that allows business users and IT teams to quickly create and deploy custom mobile applications.

We have a broad cross section of customers in diverse industries, however our prime focus is in four key areas where we have technology/reseller partnerships and portfolios of accounts; Field Service Management, Environmental Health & Safety, Fleet Management and Field Sales Enablement. Typically, our initial sale is to the leaders of field or sales operations. In larger organizations, we often obtain broader adoption through internal IT channels as they value the simplicity, functionality, and portability of the solution. We are focusing on a replicable expansion approach for these medium and large enterprise customers to achieve broader adoption in other regions and across other business processes.

We sell directly and co-market our solution with multiple partners that include independent software vendors, implementation partners, and other industry specific resellers in multiple geographies.

We compete in a mobile business application market that remains highly fragmented. Recent developments have seen early consolidation among niche providers focused on a narrow set of technology or targeted to a very specific vertical industry segment. While we do not consider these patterns to be unusual for an emerging industry, market dynamics, combined with our company size, suggest that the abundance of applications, devices, and software vendors will continue to impact decision-making and implementation cycles by our customers.

The conditions outlined above could add significant variability, and we caution readers that quarter-to-quarter comparisons of our operating results are not necessarily meaningful and should not be relied upon as the only indication of likely future performance or annual operating results.

OUTLOOK

The threat of technology disrupting business, the increased demand for mobile apps, and the shortage of resources to build them is influencing field service executives and IT teams to look into rapid mobile application development frameworks to complement their field force automation initiatives. In addition, the rapid evolution of other infrastructure enablers, including smartphones and tablets, cloud services for back office systems, data storage, and demand for data and analytics to measure and improve business processes is another favorable trend supporting our growth.

As at March 31, 2019, we had not yet achieved profitable operations and had accumulated losses since inception. Our success depends on our ability to increase revenues and achieve profitable operations or obtain additional financing through debt and/or equity arrangements. We believe that our cash on hand at the date of this report is sufficient to fund our operations through at least 2020.

While we currently expect that certain sales-related efforts and financing initiatives, if needed, will provide sufficient cash flow for us to continue operations in our present form, there is a risk that we may not be able to obtain sufficient other additional financing or that such arrangements may result in dilution to existing shareholders. Turmoil and uncertainty in the financial and business markets may impact our ability to raise additional financing proceeds and the terms related to the financing. If we are unable to secure required additional financing, we may not be able to meet our obligations as they come due, or to fully implement our intended plan of operations, raising substantial doubts as to our ability to continue as a going concern. There is no assurance that we will attain sufficient revenues to achieve and sustain profitability.

See "Forward Looking Statements" above.

RECENT DEVELOPMENTS

2019

During the three months ended March 31, 2019, 100,000 common shares were issued upon the exercise of warrants and 107,500 common shares were issued upon the exercise of options, for proceeds of $35,795 and $27,688 respectively.

2018

There were no changes to the share capital during the three months ended March 31, 2018.

2017

During the year ended December 31, 2017, 1,429,532 common shares were issued upon the exercise of options, for proceeds of $206,836 ($270,318 CAD). On June 21, 2017, the Company completed a private placement resulting in gross proceeds of $4,343,406 ($5,774,396 CAD). The private placement involved the sale of 15,195,780 units at an issue price of $0.38 CAD per unit. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to acquire one common share of the Company at an additional purchase price of $0.48 CAD per share at any time up to 24 months from the closing date. Proceeds of $4,064,453 ($5,274,400 CAD) were brokered subject to a cash fee equal to $238,562 ($309,579 CAD) plus 814,683 compensation options that entitles the holder to purchase common shares at the $0.38 CAD for a period of twelve months from the closing date. These compensation options have since expired unexercised.

KEY PERFORMANCE INDICATORS

We use certain key performance indicators to assess performance and evaluate our business. Such key performance indicators do not have a definition in IFRS and may be calculated in a manner different from similar key performance indicators used by other companies. We do not consider such key performance indicators to be "non-GAAP financial measures" as such term is commonly used because they are not derived from our financial statements.

Annual Recurring Revenue (ARR)

Annual Recurring Revenue ("ARR") is an element we use to estimate our recurring revenue for future reporting periods and is a measure we use to assess the performance of the business over time. We caution that recurring revenue will fluctuate by the amount and timing of additions and deletions in the following periods and by the foreign exchange impact on non-US Dollar ARR.

ARR is calculated as the annual equivalent of the recurring elements of our contracts with customers that are in effect at the end of the period. Non-US Dollar ARR is converted at the period end exchange rate. As at March 31, 2019, 90% of ARR was denominated in US Dollars.

	2019	**2018**			
	March 31	**December 31**	**September 30**	**June 30**	**March 31**
ARR	13,069,975	12,431,763	11,546,322	10,911,159	10,340,071
Sequential Growth Rate	5.1%	7.7%	5.8%	5.5%	5.9%

	2017			
	December 31	**September 30**	**June 30**	**March 31**
ARR	9,765,336	9,403,551	8,945,726	8,777,666
Sequential Growth Rate	3.8%	5.1%	1.9%	0.5%

PRESENTATION OF FINANCIAL STATEMENTS

Selected Quarterly Financial Information
(in U.S. Dollars)

	Three months ended	
	March 31, 2019	**March 31, 2018**
Revenue	**3,517,185**	2,748,548
Loss from operations	**(398,337)**	(776,701)
Net loss	**(532,934)**	(775,163)
Total comprehensive loss	**(532,934)**	(822,823)
Non-GAAP Loss from operations [1]	**(286,826)**	(632,828)
Non-GAAP Net loss [1]	**(373,581)**	(637,822)
Basic and diluted loss per share	**(0.00)**	(0.01)

[1] See Non-GAAP measures below

	As at March 31, 2019	**As at December 31, 2018**
Cash and cash equivalents	**4,051,291**	3,325,241
Net working capital	**1,797,031**	2,282,075
Total assets	**8,577,086**	6,737,455
Long-term liabilities	**3,661,822**	2,660,126
Total liabilities	**8,997,448**	6,799,877
Total shareholders' equity	**(420,362)**	(62,422)

DISCUSSION OF OPERATIONS

Three Months Ended March 31, 2019 Compared to Three Months Ended March 31, 2018 (in U.S. Dollars)

	Three months ended		Change from		Three months ended	Change from	
	March 31, 2019	March 31, 2018	Q1 2018 to Q1 2019		December 31, 2018	Q4 2018 to Q1 2019	
Revenue							
Recurring revenue	**$ 3,158,951**	$ 2,495,068	$ 663,883	27%	$ 2,950,029	208,922	7%
Professional and other services	**358,234**	253,480	104,754	41%	349,918	8,316	2%
	3,517,185	2,748,548	768,637	28%	3,299,947	217,238	7%
Cost of revenue							
Recurring revenue	**361,439**	268,197	93,242	35%	334,739	26,700	8%
Professional and other services	**290,754**	217,301	73,453	34%	223,948	66,806	30%
	652,193	485,498	166,695	34%	558,687	93,506	17%
Gross margin	**2,864,992**	2,263,050	601,942	27%	2,741,260	123,732	5%
	81%	**82%**			**83%**		
Expenses							
Research and development	**1,040,087**	1,053,281	(13,194)	-1%	1,067,788	(27,701)	-3%
Selling and marketing	**1,542,823**	1,406,594	136,229	10%	1,407,935	134,888	10%
General and administrative	**680,419**	579,876	100,543	17%	732,773	(52,354)	-7%
	3,263,329	3,039,751	223,578	7%	3,208,496	54,833	2%
Loss from operations	**(398,337)**	(776,701)	378,364	-49%	(467,236)	68,899	-15%
Foreign exchange gain (loss)	**(36,027)**	90,071	(126,098)	nm	168,816	(204,843)	nm
Interest and accretion	**(89,043)**	(80,926)	(8,117)	nm	(100,553)	11,510	nm
Change in fair value of derivative liability	**(9,527)**	(7,607)	(1,920)	nm	(10,598)	1,071	nm
Net loss	**(532,934)**	(775,163)	242,229	-31%	$ (409,571)	$ (123,364)	30%
Other Comprehensive loss							
Foreign currency translation adjustment	**-**	(47,660)	47,660	nm	(27,250)	27,250	nm
Total comprehensive loss	**$ (532,934)**	$ (822,823)	$ 289,889	-35%	$ (436,821)	$ (96,114)	22%

The Company had a net loss and total comprehensive loss of $532,934 for the three months ended March 31, 2019 compared to a net loss of $775,163 and total comprehensive loss of $822,823 for the three months ended March 31, 2018, and a net loss of $409,571 and total comprehensive loss of $436,821 for the three months ended December 31, 2018. Non-GAAP net loss (see Non-GAAP Measures below) for the three months ended March 31, 2019 was $373,581 down from $637,822 for the comparable first quarter of 2018 and up from $224,951 for the fourth quarter of 2018.

Loss from operations (see Additional GAAP Measures below) for the three months ended March 31, 2019 was $398,337 compared to loss from operations of $776,701 for the three months ended March 31, 2018 and $467,236 for the three months ended December 31, 2018. Non-GAAP loss from operations (see Non-GAAP Measures below) for the three months ended March 31, 2019 was $286,826 down from $633,828 for the comparable first quarter of 2018 and down from $330,365 for the fourth quarter of 2018.

Revenue

We earn recurring revenue primarily from our ProntoForms and related services provided on a subscription basis.

We also generate other services revenue by offering professional services such as consultancy, form customization, software integration and installation. After the initial subscription sale, customers may purchase additional professional services for the development of incremental forms, or integration to other back-office applications.

Our revenue is generated through a combination of direct and indirect sales. We have entered into distribution agreements with several resellers across North America, South America and Western Europe, as well as certain system integrators, mobile device manufacturers, and mobile operators.

Our current focus is on building sales through direct and select partner and reseller channels as we believe this will provide us with the best opportunity for broad based subscription revenue growth. We expect that this increasingly global distribution network will provide us with broad worldwide reach to capitalize on the expected growth in the mobile business application software market.

Revenue detail

	Three months ended			Change from	
	March 31, 2019	December 31, 2018	March 31, 2018	Previous 2018 Q4	Comparable 2018 Q1
Revenue					
Recurring revenue	$ 3,158,951	$ 2,950,029	$ 2,495,068	7%	27%
Professional services revenue	358,234	349,918	253,480	2%	41%
	$ 3,517,185	$ 3,299,947	$ 2,748,548	7%	28%

Total revenue for the three months ended March 31, 2019 was $3,517,185 representing an increase of 7% over the fourth quarter 2018 revenue of $3,299,947 and 28% increase over the comparable first quarter of 2018 revenue of $2,748,548.

Recurring revenue for the three months ended March 31, 2019 was $3,158,951 compared to $2,950,029 in the fourth quarter of 2018, and compared to $2,495,068 for the comparable first quarter of 2018, representing an increase of 7% and 27% respectively.

Professional services revenue was $358,234 for the first quarter of 2019 compared to $349,918 in the fourth quarter of 2018 and $253,480 for the comparable first quarter in 2018. Professional service revenue mainly relates to the deployment of new subscriptions and the increases are driven primarily by large enterprise contracts. See "Forward Looking Statements" above.

Cost of Revenue and Gross Margin

Cost of recurring revenue consists of hosting, software and support department costs. Cost of professional and other services revenue includes personnel and other costs for deployment and analytics services and development costs as needed.

	Three months ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Gross Margin on:			
Total revenue	81%	83%	82%
Recurring revenue	89%	89%	89%
Professional services	19%	36%	14%

Total revenue gross margin for the first quarter of 2019 was $2,864,992 representing 81% of revenue compared to gross margin of $2,741,260 representing 83% in the 2018 fourth quarter, and $2,263,050 representing 82% of revenue in the comparable first quarter in 2018.

Recurring revenue gross margin for the first quarter of 2019 was $2,797,512 representing 89% of recurring revenue, compared to gross margin of $2,615,290 or 89% in the 2018 fourth quarter, and $2,226,871 or 89% in the comparable first quarter of 20178

Professional services gross margin for the first quarter of 2019 was $67,480 representing 19% of professional services revenue, compared to a gross margin of $125,970 or 36% in the 2018 fourth quarter, and $36,179 or 14% in the comparable first quarter of 2018.

Research and Development Expenses

Research and development expenses consist primarily of remuneration paid to engineering personnel and independent contractors whom we occasionally use to provide additional technical capacity on a short-term basis. Other research and development expenses include travel, rent and other occupancy costs for our engineering and technical support personnel.

For the three months March ended 31, 2019, research and development expense decreased to $1,040,087 from the $1,053,281 for the comparable first quarter in 2018. Research and development expenses are shown net of investment tax credits ("ITC's") of approximately $14,966 and proceeds from other Government programs of approximately $25,861 for the first quarter of 2019 compared to $40,614 of ITC's and other Government proceeds of $NIL for the same period in 2018. We expect that the ITC's will accrue at approximately $15,000 to $20,000 per quarter in the short term and we will continue to pursue additional funding under Government funding programs.

Gross research and development costs remained fairly constant over the first quarter of 2019 as we continue to expand our product capabilities. We expect R&D expense to grow at a moderate pace for the remainder of 2019. See "Forward Looking Statements" above.

Selling and Marketing Expenses

Our sales and marketing expenses consist primarily of compensation, including sales commissions, paid to our sales and marketing personnel. Other significant sales and marketing expenses include travel, rent and other occupancy costs, and living costs for the sales and marketing staff, and other advertising, promotion and trade show costs.

Our sales and marketing expenses increased in the three months ended March 31, 2019 to $1,542,823 from $1,406,594 for the comparable first quarter in 2018. Sales and marketing expense increased from prior year primarily due to increased spending on other advertising, promotion, and trade shows. We expect that sales and marketing expense will increase with added resources and with the accrual of variable sales compensation on increased sales. See "Forward Looking Statements" above.

General and Administrative Expenses

Our general and administrative expenses consist primarily of remuneration paid to executive, finance, legal and corporate administrative staff. Other significant general and administrative expenses include legal and accounting professional fees, travel and insurance and other occupancy costs.

Our general and administrative expenses increased to $680,419 for the three months ended March 31, 2019 compared to $579,876 for the comparable first quarter of 2018. We expect that general and administrative expenses will continue to increase moderately as we add infrastructure to support growth in operations and subscribers. See "Forward Looking Statements" above.

Foreign Exchange Gain (Loss)

Foreign exchange gain (loss) relates primarily to the impact of the relative strength of the US dollar against the Canadian dollar originated revenues and net receivables, long-term debt and payables. The Company realized a loss of approximately $36,000 in first quarter of 2019 due to the effect on net Canadian monetary liabilities from the Canadian dollar increasing in value compared to the US dollar.

Interest and accretion

Interest and accretion relate primarily to the interest on the $4 million CAD five-year secured term credit facility entered into in August 2016 (the “2016 BDCC loan”) between the Company and BDC Capital Inc. ("BDCC"), a wholly-owned subsidiary of Business Development Bank of Canada. The 2016 BDCC loan includes interest of 7% per annum. In addition, accretion of the discounts applied at the inception of the loan resulting from loan costs and the bifurcation of the derivative liability and the warrants issued to the debt holder from the loan amount.

Change in fair value of derivative liability

The derivative liability relates to the interest ratchet increase if annual recurring revenue growth is less than 30% calculated based on the audited year-end financial statements beginning with the year ended December 31, 2016. As a result of the annual recurring revenue growth in 2017 and 2018, the interest rate has increased by 1.25% to 8.25% in 2018 and another 1.25% in 2019. The derivative liability is revalued by management at the end of each reporting period.

Foreign currency translation adjustment

Effective January 1, 2019, the functional currency of the Company changed from the Canadian dollar to the United States dollar which is now the same as the reporting currency and as a result there is no longer any foreign currency translation adjustment effect on the statement of comprehensive income.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had cash and cash equivalents of $4,051,291 and net working capital of $1,797,031. We manage our capital, being cash and cash equivalents, shareholders’ equity and debt, with the primary objective of safeguarding working capital for use in operations. We may periodically use debt in the future to finance capital requirements. The Board of Directors has not established capital benchmarks or other targets.

Operations

Cash generated from operating activities for the three months ended March 31, 2019 totaled $738,956 compared to a net outflow of $389,287 for the comparable first quarter in 2018. The increase in cash from operating activities is driven primarily by the lower net loss and larger deferred revenue collected from customers.

We intend to continue to increase spending with the objective of growing our subscriber base and resulting revenues but we plan to control the amount we spend so that the net cash outflow from operations is managed against available liquidity and operational targets. See “Forward Looking Statements” above.

Financing Activities

During the three months ended March 31, 2019, 100,000 common shares were issued upon the exercise of warrants and 107,500 common shares were issued upon the exercise of options, for proceeds of $35,795 and $27,688 respectively.

There were no changes to the share capital during the three months ended March 31, 2018.

Investing Activities

Purchases of property and equipment decreased from $40,853 for the three months ended March 31, 2018 to $23,427 for the three months ended March 31, 2019 and relate primarily for computers and office equipment for the day to day activities of employees. We currently have no material commitments for capital expenditures.

RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 16 Leases ("IFRS 16")

IFRS 16 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. 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 $1,196,989 were recorded as of January 1, 2019, with no net impact on retained earnings. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019 of 5.5%. 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 Company applied the definition of a lease under IFRS 16 to contracts entered into or changed on or after January 1, 2019.

RELATED PARTY TRANSACTIONS AND COMMITMENTS

The Company leases office premises from a company controlled by the Chairman of the Board, Sir Terrence Matthews. This office premise is included as part of the right-of-use assets of $1,103,371 and as part of lease obligations of $1,135,745.

Loans totalling $402,142 ($537,407 CAD) have been issued to the CEO to purchase common shares. The loans are non-interest bearing and principal is repayable at any time on or before the maturity dates. During the three months ended September 30, 2018, the maturity dates of the CEO Share Purchase Loans were extended from September 5, 2018 to September 5, 2019.

The 2,668,488 common shares acquired under the CEO Share Purchase Loans are pledged as security against the share purchase loans and are held as security by the Company until such time as the individual loans are repaid. The share purchase loans are immediately due and payable to the Company upon the sale of the common shares or upon the termination of employment, subject to certain conditions being met. The market value of the underlying common shares for the CEO Share Purchase Loans as at March 31, 2019 was $1,078,288 ($1,440,984 CAD).

Despite their legal form, the CEO Share Purchase Loans are accounted for similar to the grant of an option under IFRS. As such, for accounting purposes, the common shares issued, and the share purchase loans granted under the loan and share pledge agreements are not recognized as outstanding until such time as payments are received on the loan balances. The $80,405 ($107,451 CAD) Related Party Loan Receivable for related tax remittances is treated as a current receivable.

Operating expenses under the related party lease plus commitments for other office leases, software and other, have the following minimum annual payments:

	Related party commitments	**Other commitments**	**$**
2019 (April through December)	209,233	31,558	240,791
2020	278,977	1,609	280,586
2021	278,977	-	278,977
2022	278,977	-	278,977
2023	162,737	-	162,737
	1,208,901	33,167	1,242,068

For the three months ended March 31, 2019, the expense incurred under this lease was $5,601 (2018 - $145,196)

The following table provides a summary of the rent and the Company's other contractual obligations outstanding as at March 31, 2019:

	Payments due by Period			
	Total	**Year 1**	**Years 2-3**	**Greater than 3 Years**
Office and other operating obligations	1,242,070	240,791	559,564	441,715
Derivative liability - BDCC Loan	299,321	56,123	243,198	-
Long-term debt - BDCC Loan	2,693,880	-	2,693,880	-
	4,235,271	296,914	3,496,642	441,715

SUMMARY OF OUTSTANDING SHARES AND DILUTIVE INSTRUMENTS

The authorized capital of the Company consists of an unlimited number of common shares, of which 111,237,463 common shares were issued and outstanding as of the date of this MD&A. In addition, the Company has warrants outstanding to purchase up to an aggregate of 11,847,890 common shares.

The stock option plan (the "Option Plan") of the Company is administered by the Board of Directors, which is responsible for establishing the exercise price (at not less than the Discounted Market Price as defined in the policies of the TSX Venture Exchange) and the vesting and expiry provisions. The maximum number of common shares reserved for issuance for options that may be granted under the Option Plan is 17,179,583. Options granted under the Option Plan to purchase up to an aggregate of 13,262,210 common shares are issued and outstanding.

Assuming that all of the outstanding options and warrants are vested and exercised, 136,347,563 common shares would be issued and outstanding on a fully diluted basis.

QUARTERLY INFORMATION

	Three months ended			
	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Revenue	3,299,947	3,177,846	2,906,165	2,748,548
Loss from operations	(467,236)	(510,975)	(627,069)	(776,701)
Net loss and comprehensive loss	(436,821)	(620,996)	(707,809)	(822,823)
Weighted average number of shares outstanding basic and diluted	107,965,926	107,766,859	107,524,142	107,524,142
Net loss per common share, basic and diluted	(0.00)	(0.01)	(0.01)	(0.01)

	Three months ended			
	December 31, 2017	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Revenue	2,648,687	2,437,727	2,422,368	2,338,746
Loss from operations	(952,769)	(820,856)	(706,239)	(766,532)
Net loss and comprehensive loss	(1,057,542)	(1,038,421)	(895,675)	(870,290)
Weighted average number of shares outstanding basic and diluted	107,474,577	107,418,744	92,760,990	90,635,594
Net loss per common share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

The financial data in the preceding tables was prepared in accordance with IFRS and is presented in U.S. Dollars.

ADDITIONAL GAAP AND NON-GAAP MEASURES

This MD&A makes reference to certain Additional GAAP and Non-GAAP financial measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use Loss from Operations as an Additional GAAP Measure and we use Non-GAAP financial measures, including Non-GAAP Loss from Operations and Non-GAAP Net Loss, to provide investors with supplemental measures of our operating performance and to highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Loss from Operations

The Company uses "Loss from Operations" as an additional GAAP financial measure within the financial statements and MD&A but it is not a defined term under IFRS to assess performance. Management believes that this measure provides useful supplemental information to investors and is computed on a consistent basis for each reporting period.

Loss from operations is calculated as total revenues less total operating expenses derived from the Consolidated Statements of Comprehensive Loss. It is used by management to analyze operating performance but it is not intended to represent an alternative to net earnings or other measures of financial performance in accordance with IFRS.

Non-GAAP Loss from Operations

The Company uses "Non-GAAP Loss from Operations" as a non-GAAP financial measure within the MD&A but it is not a defined term under IFRS to assess performance. Non-GAAP Loss from Operations is calculated as follows:

	Three months ended		
	March 31, 2019	December 31, 2018	March 31, 2018
GAAP Loss from Operations	(398,337)	(467,236)	(776,701)
Add back:			
Share based compensation	111,511	136,871	143,873
	(286,826)	(330,365)	(632,828)

Management uses this information to measure operating results in relation to available working capital and cash and believes that this measure provides useful supplemental information to investors and is computed on a consistent basis for each reporting period. We believe that securities analysts, investors and other interested parties frequently use Non-GAAP measures in the evaluation of issuers.

Non-GAAP Net Loss

The Company uses "Non-GAAP Net Loss" as a non-GAAP financial measure within the MD&A but it is not a defined term under IFRS to assess performance. Non-GAAP Loss from Operations is calculated as follows:

	Three months ended		
	March 31, 2019	December 31, 2018	March 31, 2018
GAAP Net Loss	(532,934)	(409,571)	(822,823)
Add back:			
Share based compensation	111,511	136,871	143,873
Accretion on long-term debt	38,315	37,151	33,521
Change in fair value of derivative	9,527	10,598	7,607
	(373,581)	(224,951)	(637,822)

Management uses this information to measure financial results in relation to available working capital and cash and believes that this measure provides useful supplemental information to investors and is computed on a consistent basis for each reporting period. We believe that securities analysts, investors and other interested parties frequently use Non-GAAP measures in the evaluation of issuers.

Additional information relating to the Company may be found at www.SEDAR.com.