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

March 10, 2021

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 annual MD&A discusses material changes in our financial condition, financial performance and cash flows for the years ended December 31, 2020 and 2019. Such discussion and comments on liquidity and capital resources of the Company should be read in conjunction with our audited financial statements and related notes for the years ended December 31, 2020 and 2019, which has been prepared in U.S. dollars using International Financial Reporting Standards ("IFRS").

Management is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made in the annual 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 annual financial report and this MD&A (the "the annual Filings") and that, based on their knowledge having exercised reasonable diligence, that (a) the annual 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 annual filings; and (b) the annual financial report together with the other financial information included in the annual 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 annual 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 annual recurring revenues, 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, the Company's expectations with respect to future funding from governmental programs and the potential impacts of the COVID-19 pandemic on the Company's business and 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 favourable 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 resellers, and an adverse change in the Company's relationship with any of such resellers may result in decreased sales; (vi) the market for software as a service is within the growth stage, 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; (xxi) if the Company loses any of its key personnel, its operations and business may suffer and (xxii) COVID-19 and similar global health crises could have a negative impact on the Company, its employees, suppliers and customers.

On March 12, 2020, ProntoForms made the decision to temporarily close our physical offices and require all staff to work from home. Our staff have responded with enthusiasm and have adapted well to working remotely. We have a cadence of meetings and surveys to measure and influence the effectiveness and morale as we progress through the pandemic. Most of our tools are in the cloud and have been operating there for some time and as such, the disruption to sales by COVID-19 was not as significant for us as for some other businesses. Gross bookings rebounded and continued to grow during the year and we have reaffirmed our strategy of carefully investing in Enterprise growth. We will continue with our staff working in this remote fashion until such time as we believe, based on the stages of the virus and the advice of government health authorities, that the risk to our staff and customers is reduced sufficiently. At such time, all recommended safety precautions, including physical distancing measures, will be followed.

We are conducting business with substantial modifications to employee travel, employee work locations and virtualization or cancellations of all sales and marketing events. We have substantially modified interactions with customers and suppliers, among other modifications, including customer purchasing decisions. We have also accessed government assistance in the form of the Innovative Assistance Program (IAP) during the second quarter of 2020 and the Industrial Research Assistance Program (IRAP) which was completed at the end of the second quarter of 2020. We may take further actions that alter our business operations as may be required by governments, or that we determine are in the best interest of our employees, customers, partners, suppliers, and shareholders. However, there is no certainty that such measures will be sufficient to mitigate the direct and indirect effects of the virus and our business, financial condition and results of operations could be affected. The degree to which COVID-19 will affect our results and operations will depend on future developments that are highly uncertain and cannot currently be predicted, including, but not limited to, the duration, extent and severity of the COVID-19 pandemic, actions taken to contain the virus, the impact of the pandemic and related restrictions on economic activity and the extent of the impact of these and other factors on our employees, partners, suppliers and customers. COVID-19 has also caused heightened uncertainty in the global economy. If economic growth slows further or if a recession develops, customers may not have the financial means to subscribe for our software and services, negatively impacting our results of operations. Since the impact of COVID-19 is ongoing, the effect of the COVID-19 outbreak and the related impact on the global economy may not be fully reflected in our results of operations until future periods. Further, volatility in the capital markets has been heightened during recent months and such volatility may continue, which may cause declines in the price of our shares.

Please see "Risk Factors Affecting Future Results" 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 AND OUTLOOK

ProntoForms is the global leader in field-focused low-code application platforms ("LCAP") for enterprise. Its solution is used to create apps and forms to collect and analyze field data with smartphones and tablets—either as a standalone solution or a mobile front-end to enterprise systems of record. ProntoForms' 100,000+ subscribers harness the intuitive, secure, and scalable solution to increase productivity, improve quality of service, and mitigate risks.

ProntoForms was one of just 19 companies featured in Gartner's 2020 LCAP Magic Quadrant report. Additionally, it was the only field-focused solution included. Gartner—the world's leading IT research and advisory firm—predicts that by 2024, 75% of large enterprises will use at least four low-code development tools for both IT application development and citizen development initiatives. ProntoForms was also named G2's leader in Mobile Forms Automation Software for Fall 2020, retaining this ranking for the 9th time. ProntoForms was rated a 92 through real-time user satisfaction ratings, 33 points above the nearest competitor in the Enterprise segment. G2 also awarded ProntoForms the High Performer badge for Low-Code Development Platforms and the highest relationship rating available for products included in the Mobile Forms Automation Software category.

We have a broad cross section of customers in diverse industries; however, our prime focus is in heavy manufacturing, medical devices manufacturing, energy resources, and utilities. Typically, our initial sale is to the leaders of field or sales operations. In enterprise, we often obtain broader adoption through internal IT channels as they value the platform's security, scalability, and reliability. We are focusing on a replicable expansion approach for 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. While our direct sales resources provide us access to decision makers in a wide range of companies, we are also targeting new enterprise sales through partners and resellers. We believe that these partners and resellers often provide easier access to the decision makers in large enterprises, so we have shifted resources and investment to pursue sales through partners and resellers that have existing large enterprise relationships.

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 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 investigate LCAP solutions to complement 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.

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.

See "Forward Looking Statements" above.

RECENT DEVELOPMENTS

2020

On October 30, 2020, the Company entered a revolving credit facility with Toronto-Dominion Bank ("TD Bank") for an amount of up to CAD $6 million. The new credit facility bears interest at a combination of prime plus 1% per annum and a 30 days Bankers Acceptance plus 2.5%, with a 2-year commitment renewable annually. A portion of the new credit facility was used to settle the Company's obligations to BDC Capital Inc. ("BDCC").

On October 29, 2020, warrants to purchase 4,350,000 common shares of the company were exercised and the common shares were issued upon payment of the aggregate purchase price $1,480,575 (CAD $1,957,500).

During the year ended December 31, 2020, 2,677,583 common shares were issued upon the exercise of options for proceeds of $634,052.

2019

During the year ended December 31, 2019, 6,758,399 common shares were issued upon the exercise of warrants for proceeds of $2,433,948 and 2,286,636 common shares were issued upon the exercise of options for proceeds of $675,741

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 of licenses 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 December 31, 2020, 94% of ARR was denominated in US Dollars.

	2020			
	December 31	**September 30**	**June 30**	**March 31**
ARR	17,112,732	16,992,076	16,137,336	15,741,756
ARR Growth				
- sequential (QoQ)	0.7%	5.3%	2.5%	0%
- comparable (YoY)	8.7%	13.1%	17.7%	20.4%
Proportion of Base from				
Customers with > $100k ARR	39%	39%	38%	37%
	2019			
	December 31	**September 30**	**June 30**	**March 31**
ARR	15,736,428	15,026,100	13,713,778	13,069,975
ARR Growth				
- sequential (QoQ)	4.7%	9.6%	4.9%	5.4%
- comparable (YoY)	26.9%	30.1%	25.7%	26.4%
Proportion of Base from				
Customers with > $100k ARR	36%	35%	30%	28%

While we saw steady growth in our ARR base through 2019, our first quarter of 2020 showed roughly flat sequential growth as we saw increased churn, mainly in small-medium business ("SMB"), in the early stages of the pandemic. We saw improved growth in the second and third quarter as enterprise bookings improved. In the fourth quarter, we saw continued improvement in gross bookings, but this was offset by a decrease in our base of approximately 6% caused by the discontinuation of our AT&T Services, Inc. ("AT&T") reseller agreement. Overall, we finished slightly up in the fourth quarter as we managed to bring a number of good customers direct and added more bookings. The discontinuation of the AT&T relationship was by mutual agreement and we believe is an isolated churn event that will not affect future bookings or churn results.

We have focused our efforts on Enterprise sales and we use the metric "Proportion of Base from Customers with > $100k ARR" as an indicator of sales to larger customers and higher penetration within those accounts. Over time, larger customers have constituted a greater share of our revenue and we expect this trend to continue as larger enterprises recognize the value of our product. We caution that this indicator may fluctuate depending on the size of customers added or deleted in the following periods.

An ARR customer is defined as a separate and distinct buying entity, such as a company, an educational or government institution, or a distinct business unit of a large company that has an active contract with us or one of our partners to access our platform.

PRESENTATION OF FINANCIAL STATEMENTS
(in U.S. Dollars)

Selected Annual Financial Information

Statement of Operations Data

	Year Ended December 31,		
	2020	**2019**	**2018**
Revenue	**17,666,080**	15,103,919	12,132,506
Loss from operations	**(956,877)**	(1,857,635)	(2,381,981)
Net loss	**(1,485,167)**	(2,265,478)	(2,500,614)
Non-GAAP loss from operations [1]	**(329,647)**	(1,403,246)	(1,967,925)
Non-GAAP net loss [1]	**(573,691)**	(1,693,728)	(1,930,355)
Basic and diluted loss per share	**(0.01)**	(0.02)	(0.02)

[1] See Non-GAAP measures below

Balance Sheet Data

	Year Ended December 31,		
	2020	**2019**	**2018**
Cash and cash equivalents	**7,747,542**	5,700,003	3,325,241
Net working capital	**5,104,412**	3,311,956	2,222,094
Total assets	**13,564,924**	11,128,735	6,737,455
Long-term liabilities	**3,705,786**	3,524,269	2,600,145
Total liabilities	**11,072,055**	9,892,556	6,799,877
Total shareholders' equity	**2,492,869**	1,236,179	(62,422)

DISCUSSION OF OPERATIONS

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

	Year ended December 31, 2020	Year ended December 31, 2019	Change from 2019 to 2020	
Revenue				
Recurring revenue	**$ 16,194,453**	$ 13,740,141	2,454,312	18%
Professional and other services	**1,471,627**	1,363,778	107,849	8%
	17,666,080	15,103,919	2,562,161	17%
Cost of revenue				
Recurring revenue	**1,342,540**	1,415,331	(72,791)	-5%
Professional and other services	**1,289,593**	1,129,826	159,767	14%
	2,632,133	2,545,157	86,976	3%
Gross margin	**15,033,947**	12,558,762	2,475,185	20%
	85%	83%		
Expenses				
Research and development	**5,406,112**	4,794,386	611,726	13%
Selling and marketing	**7,445,790**	6,797,303	648,487	10%
General and administrative	**3,138,922**	2,824,708	314,214	11%
	15,990,824	14,416,397	1,574,427	11%
Loss from operations	**(956,877)**	(1,857,635)	900,758	-48%
Foreign exchange gain (loss)	**49,916**	(80,780)	130,696	nm
Finance costs	**(578,206)**	(327,063)	(251,143)	nm
Net loss	**$ (1,485,167)**	$ (2,265,478)	780,311	-34%

nm - not considered meaningful

The Company had a net loss of $1,485,167 for the year ended December 31, 2020 compared to a net loss of $2,265,478 for the year ended December 31, 2019. Non-GAAP net loss for the year ended December 31, 2020 was $573,691 down from $1,693,728 for the year ended December 31, 2019.

Loss from operations (see Additional GAAP and Non-GAAP measures) for the year ended December 31, 2020 was $956,877 compared to loss from operations of $1,857,635 for the year ended December 31, 2019. Non-GAAP loss from operations (see Additional GAAP and Non-GAAP measures) for the year ended December 31, 2020 was $329,647 compared to $1,403,246 for the year ended December 31, 2019. The decrease in loss from operations and Non-GAAP loss from operations is due mainly to the government assistance and a more cautious spending approach in operating the Company earlier in the year. We have seen a rebound of gross bookings and we will continue our investment in sales and marketing with the intention of compounding that growth back into our ARR base. This growth mode will result in moderate non-GAAP operating losses, but those are partially mitigated on an operating cash flow basis by the prepayment amounts from new contracts.

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 form building, training and assisting in connecting data to back-end systems.

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

	Year ended December 31, 2020	Year ended December 31, 2019	Change from 2019 to 2020	
Revenue				
Recurring revenue	$ 16,194,453	$ 13,740,141	$ 2,454,312	18%
Professional services	1,471,627	1,363,778	107,849	8%
	$ 17,666,080	$ 15,103,919	$ 2,562,161	17%

Total revenue for the year ended December 31, 2020 was $17,666,080 compared to $15,103,919 for the year ended December 31, 2019, representing an increase of 17%.

Recurring revenue for the year ended December 31, 2020 was $16,194,453 compared to $13,740,141 in 2019 representing an increase of 18%. The increase was produced by a mix of sales to new customers as well increased revenue from existing customers.

Professional services revenue increased to $1,471,627 for the year ended December 31, 2020 compared to $1,363,778 in 2019, representing an increase of 8%. Professional service revenue mainly relates to the deployment services for new implementations or expansions for new use cases or in new geographies. The increase in professional services revenue in the quarter was mainly due to an engagement to develop additional features for an Enterprise customer. 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 other marketing and development costs as needed.

	Year-ended December 31, 2020	Year-ended December 31, 2019
Gross Margin on:		
Total revenue	85%	83%
Recurring revenue	92%	90%
Professional services	12%	17%

Total revenue gross margin for the year ended December 31, 2020 was $15,033,947 representing 85% of revenue compared to gross margin of $12,558,762 representing 83% for the comparable year in 2019. The increase in gross margin was mainly due to a reduction of costs from the government assistance under the COVID related Innovative Assistance Program (IAP). IAP funding of $635,082 was all recorded in the second quarter of 2020 of which $164,063 reduced against cost of sales and $471,019 reduced against operating expenses.

Recurring revenue gross margin was $14,851,913 representing 92% of recurring revenue for the year ended December 31, 2019, compared $12,324,810 representing 90% in 2019. Recurring revenue gross margin as a percent of recurring revenue for the last 3 years have remained in the range of 88% to 90% but increased to 92% in 2020 mainly due to the IAP funding. These gross margins may fluctuate as we add new functionality which may be offset by economies of scale.

Professional services gross margin was $182,034 representing 12% of professional services revenue for the year ended December 31, 2020 compared to a gross margin of $233,952, representing 17% of professional services revenue for the year ended December 31, 2019.

Our professional services bookings and revenue has tended to follow ARR bookings. Lower bookings early in the year caused professional services revenue to decrease. We maintained a similar sized implementation team that also resulted in lower gross margin and gross margin percentage on those services. Some of this reduction was offset by the engagement to deliver features that provided $377,000 in revenue and $192,000 in gross margin.

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 year ended December 31, 2020, research and development expense increased to $5,406,112 from $4,794,386 for the comparable period of 2019. Research and development expenses are shown net of Government Investment tax credits ("ITC's") and other government assistance as follows:

	Year-ended December 31,	
	2020	2019
Gross research and development expense	6,095,147	4,968,415
Less:		
Investment tax credits	(146,394)	(86,610)
Industrial Research Assistance Program	(489,340)	(87,419)
Innovative Assistance Program	(53,301)	–
	5,406,112	4,794,386

We expect that the ITC's will continue to accrue at similar levels in the short term. The National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) funding of CAD $750,000 offset a portion of remuneration, contractor and overhead costs in 2019 and 2020 and was substantially all received by the end of the first half 2020.

Gross research and development costs increased in 2020, as we expanded our product capabilities. We expect R&D expense to increase for 2021 as we expand product management and development and expect reduced benefit from government funding programs. We plan to pursue additional government funding in future. 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 although reduced to the COVID-19 pandemic.

Our sales and marketing expenses increased in the year ended December 31, 2020 to $7,445,790 from $6,797,303 for 2019. Sales and marketing expense increased from prior year primarily due to the addition of quota bearing sales and sales support resources. We expect that sales and marketing expense will increase with added resources, additional spend on advertising and with the accrual of variable sales compensation on new sales. As we grow, we plan to re-invest our growth into resources to pursue additional growth with a focus on sales and marketing. See "Forward Looking Statements" above.

	Year-ended December 31,	
	2020	2019
Gross selling and marketing expense	7,772,782	6,797,303
Less:		
Innovative Assistance Program	(326,992)	–
	7,445,790	6,797,303

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, rent and other occupancy costs.

Our general and administrative expenses increased to $3,138,922 for the year ended December 31, 2020 compared to $2,824,708 for the same period in 2019 as added infrastructure to support the growth in the organization. We expect that general and administrative expenses will continue to increase slightly as we add further infrastructure for security and to support growth in operations and subscribers. See "Forward Looking Statements" above.

	Year-ended December 31,	
	2020	2019
Gross general and administrative expense	3,229,648	2,824,708
Less:		
Innovative Assistance Program	(90,726)	–
	3,138,922	2,824,708

Foreign Exchange (Loss) Gain

Foreign exchange (loss) gain relates primarily to the impact of the relative strength of the Canadian dollar against the US dollar on the Company's US denominated monetary assets and liabilities. The Company realized a gain of approximately $49,916 in 2020 due to the effect on net US dollar monetary assets from the US dollar increasing in value compared to the Canadian dollar.

Finance costs

Finance costs 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 BDCC, a wholly-owned subsidiary of Business Development Bank of Canada. The 2016 BDCC loan includes interest of 7% per annum, that is accrued and paid monthly. Accretion relates to discounts applied at the inception of the loan from 1) loan costs, 2) the bifurcation of the derivative liability and 3) warrants issued to the debt holder from the loan amount. On October 31, 2020, the BDCC debt was settled. This resulted in an increase in finance costs, due to the realization of the unamortized accretion and the penalty for early settlement. The loss on extinguishment of debt comprised of an unamortized accretion of $192,347, interest penalty on early settlement of $123,858 which includes the settlement of the derivative liability at $70,201.

Interest on the TD Bank loan bears interest at a combination of Prime plus 1% and Bankers Acceptance + 2.5%.

The derivative liability relates to the interest ratchet increase of up to 1.25% per year 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. The interest rate has increased to 8.25% in 2018 and to 9% effective October 16, 2019. The derivative liability was settled when the BDCC debt was extinguished on October 31, 2020.

Three Months Ended December 31, 2020 compared to Three Months Ended December 31, 2019 and September 30, 2020.

	Three months ended		Change from		Three months ended	Change from	
	December 31, 2020	December 31, 2019	Q4 2019 to Q4 2020		September 30, 2020	Q3 2020 to Q4 2020	
Revenue							
Recurring revenue	$ **4,305,505**	$ 3,774,576	530,929	14%	$ 4,056,073	249,432	6%
Professional and other services	**405,080**	295,890	109,190	37%	494,364	(89,284)	-18%
	4,710,585	4,070,466	640,119	16%	4,550,437	160,148	4%
Cost of revenue							
Recurring revenue	**374,145**	378,033	(3,888)	-1%	370,730	3,415	1%
Professional and other services	**325,060**	280,449	44,611	16%	450,433	(125,373)	-28%
	699,205	658,482	40,723	6%	821,163	(121,958)	-15%
Gross margin	**4,011,380**	3,411,984	599,397	18%	3,729,274	282,106	8%
	85%	**84%**			**82%**		
Expenses							
Research and development	**1,582,595**	1,279,563	303,032	24%	1,480,276	102,319	7%
Selling and marketing	**2,043,448**	1,903,309	140,139	7%	1,991,105	52,343	3%
General and administrative	**959,488**	811,683	147,805	18%	750,383	209,105	28%
	4,585,531	3,994,555	590,976	15%	4,221,764	363,767	9%
Loss from operations	**(574,151)**	(582,571)	8,421	-1%	(492,490)	(81,661)	17%
Foreign exchange (loss) gain	**(51,165)**	(61,474)	10,309	nm	(14,221)	(36,944)	nm
Interest and accretion	**(289,438)**	(96,508)	(192,930)	nm	(101,743)	(187,695)	nm
Change in fair value of derivative liability	**(476)**	(40,838)	40,362	nm	(1,257)	781	nm
Net loss	$ **(915,230)**	$ (781,391)	(133,837)	17%	$ (609,711)	(305,519)	50%

nm - not considered meaningful

The Company had a net loss of $915,230 for the three months ended December 31, 2020 compared to a net loss of $781,391 in the fourth quarter of 2019. Non-GAAP net loss (see non-GAAP measures) for the three months ended December 31, 2020 was $542,358 up from $409,825 for the previous third quarter of 2020 and up from $516,298 for the comparable quarter of 2019. The increase in net loss and Non-GAAP net loss was due to the continued investment in the product, continued building of the sales team and related infrastructure to support the growth in the business.

Loss from operations (see Additional GAAP and Non-GAAP measures) for the three months ended December 31, 2020 was $574,151 compared to $492,490 in the third quarter of 2020 and $582,571 in the comparable quarter in 2019. Non-GAAP loss from operations (see Additional GAAP and Non-GAAP measures) for the three months ended December 31, 2020 was $341,204 down from $344,475 in the previous third quarter of 2020 and down from $403,257 for the comparable 2019 fourth quarter.

Revenue detail

	Three months ended			**Change from**	
	December 31, 2020	September 30, 2020	December 31, 2019	Previous 2020 Q3	Comparable 2020 Q4
Revenue					
Recurring	$ 4,305,505	$ 4,056,073	$ 3,774,576	6%	14%
Professional services	405,080	494,364	$ 295,890	-18%	37%
	$ 4,710,585	$ 4,550,437	$ 4,070,466	4%	16%

Total revenue for the three months ended December 31, 2020, was $4,710,585 compared to $4,550,437 in the third quarter of 2020, and $4,070,466 for the comparable fourth quarter of 2019, representing an increase of 4% and 16% respectively.

Recurring revenue for the three months ended December 31, 2020 was $4,305,505, compared to $4,056,073 in the third quarter of 2020, and $3,774,576 for the comparable fourth quarter of 2019, representing an increase of 6% and 14% respectively.

Professional services revenue for the three months ended December 31, 2020 was $405,080, compared to $494,364 in the third quarter of 2020 and $295,890 for the comparable fourth quarter in 2019.

While we saw steady growth in our ARR base and recurring revenue through 2019, our first quarter of 2020 showed roughly flat sequential growth as we saw increased churn, mainly in small-medium business (“SMB”), in the early stages of the pandemic. We saw improved growth in the second and third quarter as enterprise bookings improved.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2020, cash was $7,747,542 and working capital was $5,104,412. In the fourth quarter the Company received proceeds of CAD $1,957,500 from the exercise of warrants and the Company entered a revolving credit facility with TD Bank for an amount of up to CAD $6,000,000 with a term of two years. This facility has been partially drawn on to settle the Company’s obligation to BDCC for CAD $4,164,945.

Given reduced cash outflow from operations, our existing cash and cash equivalents and the new revolving credit facility, we believe there is sufficient liquidity to meet our current and planned financial obligations in the foreseeable future. Our future financing requirements will depend on many factors including our growth rate, subscription renewal activity, the timing and extent of spending to support development of our platform, and the expansion of sales and marketing activities. While we currently expect that we will have 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. The Board of Directors has not established capital benchmarks or other targets.

Operations

Cash from operating activities for the year ended December 31, 2020 totaled $193,546 compared to cash used in operations of $302,917 for 2019. The improvement in cash from or used in operating activities is driven primarily by the lower net loss and the increase in prepayments from customer contracts that also causes an increase in deferred revenue. While we expect to increase our losses in a controlled manner as we invest in product and sales and marketing to pursue growth, we also expect the trend of increased cash flow from prepayment of customer contracts to mitigate the impact on our cash balances. Also, a number of AT&T customers became direct customers as we sunsetted that relationship with many moving to annual contracts. This will result in an increase in deferred revenue and subsequently will improve our cash flow from operations in the short term.

Financing Activities

During the year ended December 31, 2020, 4,350,000 common shares were issued upon the exercise of warrants for proceeds of $1,480,575 and 2,677,583 common shares were issued upon the exercise of options for proceeds of $634,052.

During the year ended December 31, 2019, 6,758,399 common shares were issued upon the exercise of warrants for proceeds of $2,433,948 and 2,286,636 common shares were issued upon the exercise of options for proceeds of $675,741.

Investing Activities

Purchases of property and equipment was $86,280 for the year ended December 31, 2020 compared to $196,320 for the year ended December 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.

ADOPTION OF NEW ACCOUNTING POLICIES

There were no new accounting policies adopted in the year-ended December 31, 2020.

OTHER OBLIGATIONS, CONTINGENCIES AND RELATED PARTY TRANSACTIONS

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 $657,771 and as part of lease obligations of $760,614.

	Related Party commitment $
2021	292,809
2022	292,809
2023	170,805
	756,423

Loans totaling $422,079 ($537,407 CAD) have been issued to the CEO to purchase common shares. The loans are non-interest bearing and principal is repayable on demand.

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 December 31, 2020 was $2,641,803.

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 $84,392 ($107,451 CAD) Related Party Loan Receivable for related tax remittances is treated as a current receivable.

The following table provides a summary of the rent and the Company's other contractual obligations outstanding as at December 31, 2020:

	Carrying amount $	Contractual cash flows $	Year 1 $	Years 2 - 3 $	Years 4 - 5 $	After 5 years $
Accounts payable and accrued liabilities	2,434,376	2,434,376	2,434,376	—	—	—
Long-term debt	3,219,484	3,283,831	93,824	3,190,007	—	—
Lease obligations	760,614	816,924	308,580	508,344	—	—
	6,414,474	6,535,131	2,836,780	3,698,351	—	—

SUMMARY OF OUTSTANDING SHARES AND DILUTIVE INSTRUMENTS

The authorized capital of the Company consists of an unlimited number of common shares, of which 127,102,581 common shares were issued and outstanding as of the date of this MD&A.

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 19,679,583. Options granted under the Option Plan to purchase up to an aggregate of 14,506,570 (average exercise price of CAD $0.50) common shares are issued and outstanding.

Assuming that all the outstanding options and warrants are vested and exercised, 141,609,151 common shares would be issued and outstanding on a fully diluted basis.

QUARTERLY INFORMATION

	Three months ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenue	$ 4,710,585	$ 4,550,437	$ 4,162,344	$ 4,242,714
(Loss) income from operations	(574,151)	(492,490)	347,719	(237,954)
Net (loss) income	$ (915,230)	$ (609,711)	$ 207,720	$ (167,945)
Weighted average number of shares outstanding basic and diluted	118,676,861	117,666,390	117,455,093	117,427,901
Net loss per common share, basic and diluted	$ (0.01)	$ (0.01)	$ 0.00	$ (0.00)

	Three months ended			
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Revenue	$ 4,070,466	$ 3,840,001	$ 3,676,267	$ 3,517,185
Loss from operations	(582,571)	(459,490)	(417,236)	(398,338)
Net loss	$ (781,391)	$ (421,111)	$ (530,042)	$ (532,934)
Weighted average number of shares outstanding basic and diluted	117,447,799	115,545,497	109,926,030	107,961,594
Net loss per common share, basic and diluted	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)

ADDITIONAL GAAP AND NON-GAAP MEASURES

This MD&A refers 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		
	December 31, 2020	September 30, 2020	December 31, 2019
GAAP loss from Operations	$ (574,151)	(492,490)	$ (582,571)
Add back:			
Share based compensation	232,947	148,015	179,314
	$ (341,204)	(344,475)	$ (403,257)

	Year-ended		
	December 31, 2020	December 31, 2019	December 31, 2018
GAAP loss from Operations	$ (956,877)	$ (1,857,635)	$ (2,381,981)
Add back:			
Share based compensation	627,230	454,389	414,056
	$ (329,647)	$ (1,403,246)	$ (1,967,925)

Management use 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		
	December 31, 2020	September 30, 2020	December 31, 2019
GAAP Net loss	$ (915,230)	$ (609,711)	$ (781,391)
Add back:			
Share based compensation	232,947	148,015	179,314
Accretion on long-term debt	139,449	50,614	44,941
Change in fair value of derivative	476	1,257	40,838
	$ (542,358)	$ (409,825)	$ (516,298)

	Year-ended		
Non-GAAP Net loss	December 31, 2020	December 31, 2019	December 31, 2018
GAAP Net loss	$ (1,485,167)	$ (2,265,478)	$ (2,500,614)
Add back:			
Share based compensation	627,230	454,389	414,056
Accretion on long-term debt	280,976	167,819	144,391
Change in fair value of derivative	3,270	(50,458)	11,812
	$ (573,691)	$ (1,693,728)	$ (1,930,355)

Management use 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.

RISK FACTORS AFFECTING FUTURE RESULTS

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly.

Risks Related to the Business

Lack of Profitability

At December 31, 2020, the Company had not yet achieved profitable operations and has accumulated losses since inception. There is no assurance that the Company will earn any profits in the future, or that profitability, if achieved, will be sustained. 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 favourable commercial terms or at all. Failure to obtain such additional financial resources could affect the Company's plans for growth or result in it being unable to satisfy its obligations as they become due, either of which could have a material adverse effect on the Company's business and its financial condition.

The Company's quarterly and annual revenues and operating results may fluctuate, which may harm its results of operations

The Company recognizes subscription and support revenue over the terms of its customer agreements. As a result, most of the Company's quarterly and annual revenue results from agreements that commenced in previous quarters. Consequently, a shortfall in demand for the Company's applications in any quarter may not significantly reduce its subscription and support revenue for that quarter but could negatively affect subscription and support revenue in future quarters/years.

Some of the factors affecting the Company's revenue and results, many of which are outside of its control, include:

- competitive conditions in the Company's industry, including new products, product announcements and incentive pricing offered by its competitors;

- the Company's ability to hire, train and retain sufficient technical, sales, and professional services staff;

- the Company's ability to maintain existing relationships with channel partners and customers and to create new relationships with potential channel partners and customers;

- varying size, timing and contractual terms of orders for the Company's licenses or other services, which may delay the recognition of revenue;

- the discretionary nature of the Company's customers' purchase and budget cycles and changes in their budgets for, and timing of, software, equipment and related purchases;

- the length and variability of the sales cycles for the Company's products;

- order cancellations;

- market acceptance of new and enhanced versions of the Company's software applications;

- strategic decisions by the Company or its competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;

- the Company's ability to complete its service obligations related to sales in a timely manner;

- general weakening of the economy resulting in a decrease in the overall demand for the Company's applications and services;

- a reduction in the future availability of COVID-relating funding from governmental programs;

- the geographical mix of the Company's sales, together with fluctuations in foreign currency exchange rates;

- changes in personnel and related costs;

- changes in the Company's pricing policies and the pricing policies of its competitors; and

- timing of product development and new product initiatives.

Because the Company's quarterly and annual revenue is increasingly dependent upon a relatively small number of sales and deployments to large customers, even minor variations in the rate and timing of conversion of its sales prospects into revenue could cause the Company to plan or budget inaccurately, and those variations could adversely affect its financial results.

In addition, because the expenses associated with generating customer agreements are generally incurred up front, but the resulting subscription and support revenue is recognized over the life of the customer agreement, increased growth in the number of customers may result in the Company's recognition of more upfront costs than offsetting subscription and support revenue in the earlier periods of the terms of the Company's agreements.

Considering the foregoing, quarter-to-quarter comparisons of the Company's operating results are not necessarily meaningful and should not be relied upon as indications of likely future performance or annual operating results. Reductions in revenue or net income between quarters or the Company's failure to achieve expected quarterly earnings per share could cause the market price of the common shares to decline or have a material adverse effect on its business, financial condition and results of operations.

Reliance on major customers and resellers

The Company currently relies on a limited number of major customers, and resellers for a significant portion of its revenues. The loss of business from a major customer and an adverse change in the Company's relationship with any of its resellers could reduce the Company's sales and harm its business and prospects. If the Company is unable to retain and expand its business with key customers and resellers on favourable terms, or develop new relationships with customers and resellers, then the business, financial condition and results of operations of the Company could be adversely affected.

The Company's business may be harmed if it does not continue to penetrate markets and continue to grow

If the Company fails to further penetrate its core markets and existing geographic markets, or to successfully expand its business into new markets or through the right sales channels, the growth in sales of the Company's products, along with its operating results, could be negatively impacted. Some of the Company's competitors are larger and better capitalized and as a result, they may be better able to expand more quickly and through more sales channels. Some of the Company's competitors provide end-to-end solutions. If the various core markets in which the Company's products are offered fail to grow, or grow more slowly than the Company currently anticipates, or if the Company is unable to establish new markets for its products, the Company's business, operating results and financial condition could be materially adversely affected.

The Company's success depends on its ability to develop new products and enhance its existing products

The markets for the Company's products are competitive and are characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. To keep pace with the technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, the Company must enhance and improve existing products and it must continue to introduce new products and services. Currently, the Company's products embody complex technology and are designed to be compatible with current and evolving industry standards. If the Company is unable to successfully develop new products or enhance and improve its existing products or if it fails to position and/or price its products to meet market demand, the Company's business and operating results will be adversely affected. Accelerated product introductions and short product life cycles require high levels of expenditures for research and development that could adversely affect its operating results. Further, any new products the Company develops could require an investment of significant resources, long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. The Company may determine that certain new products do not have sufficient potential to warrant the continued allocation of resources and may elect to terminate one or more new product candidates. If a new product is terminated in which the Company has invested significant resources, the Company's prospects may suffer since resources were expended on a project that did not yield a return on the Company's investment and it missed the chance to allocate such resources to potentially more productive uses and this may negatively impact the Company's business, financial condition and operating results. In addition, as the Company develops new products, they may render some of its older products redundant or obsolete.

As the Company discontinues the sale of these older products, it must manage the supplier commitments and customer expectations. If the Company is unable to properly manage the possible discontinuation of these older products, it could have a material adverse effect on its business, financial condition and results of operations.

Subscription services are hosted by a third party service for the Company

Subscription services, which produce the majority of the Company's revenue, are hosted by a third party service for the Company. The success and growth of the Company's subscription services are highly dependent on the Company's ability to provide reliable services. Any interruption in service could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may be liable to its customers or third parties and may lose customers if it is unable to collect data or it otherwise loses data

Because of the large amount of data that the Company collects and manages through the activities of its customers using the Company's application, it is possible that errors in the Company's systems or in third party systems used by the Company to deliver its service could cause the information that it collects to be incomplete or contain inaccuracies that the Company's customers or third parties regard as significant. Furthermore, the Company's ability to collect and report data may be interrupted by a number of factors, including its inability to access the Internet, the failure of its network or software systems or third party network or software systems relied upon by the Company, security breaches or computer viruses. The Company may be liable to its customers or third parties for damages they may incur resulting from such events. The Company's errors and omissions insurance may be inadequate to compensate the Company for such liability, may not cover all claims or may not be available in the future on acceptable terms or at all. In addition, if the Company supplies inaccurate or incomplete information or experiences interruptions in its ability to capture, store and supply information in real time or at all, the Company's reputation could be harmed and it could lose customers. The Company currently carries professional liability errors & omissions insurance of $10 million USD to cover the risk of significant loss due to errors made by its employees or technology systems that result in third-party claims against the Company.

The Company may be liable for the handling of personal information

Personal information collected by the Company's customers using the Company's applications is stored on handheld devices that are not owned by the Company and is temporarily stored on servers that are owned by the Company or third parties contracted by the Company. Government bodies and agencies around the world have adopted or are considering adopting laws regarding the collection, use and disclosure of personal information. Increasingly, the Company is being requested to provide specific guarantees with respect to its compliance with such laws. The Company's compliance with privacy laws and regulations and its reputation among the public may depend on its and / or its customers' adherence to such laws and regulations.

The Company relies on representations made to it by its customers that their own use of the Company's application and the information collected by them via the Company's application do not violate any applicable privacy laws or regulations. If these representations are false, if the Company's customers do not comply with applicable privacy laws and regulations or if personal information is compromised at the customer level or on servers owned or used by the Company, the Company could face potential adverse publicity and possible legal or other regulatory action.

Cyber Risks

The Company provides software as a service and as a result it faces cyber risks that include, but are not limited to data breaches, unauthorized access and denial of service attacks as well as associated financial, reputational and business interruption risks. In its business, the Company collects, stores and processes personal information of its customers and despite all precautions taken by the Company, including its recent SOC2 compliance efforts, there is a risk of unauthorized access or security breaches resulting from third-party action, employee error, malfeasance or otherwise, which can lead to the loss of information, litigation, indemnity obligations and other significant liabilities. The Company could also be exposed to regulatory penalties for the unauthorized release of confidential information. Furthermore, the Company could face reputational harm relating to a negative perception of the Company's applications which could result in the loss of customers. The Company actively monitors for these such risks and is committed to cyber security with a goal of maintaining and protecting its overall data security. However, despite such efforts by the Company, it may not be able to fully mitigate such cyber security risks given the evolving methods used to comprise data security, which are generally not identified until they are launched against a target. The Company currently carries technology errors and omissions insurance and cyber liability insurance to mitigate the risk of significant loss due to errors made by its technology systems that result in third-party claims against the Company; however, depending on the type and scale of the incident the Company's errors and omissions insurance may be inadequate to compensate the Company for such liability, may not cover all claims or may not be available in the future on acceptable terms or at all. The Company's risk to its business may increase as it expands its web-based and cloud-based products and services offered and as the Company increases the number of countries in which it operates.

Failure to manage the Company's growth successfully may adversely impact its operating results

The growth of the Company's operations places a strain on managerial, financial and human resources. The Company's ability to manage future growth depends upon a number of factors, including its ability to rapidly:

- build and train sales and marketing staff to create an expanding presence in the evolving marketplace for the Company's products, and to keep staff informed regarding the technical features, issues and key selling points of its products;

- attract and retain qualified technical personnel in order to continue to develop reliable and saleable products and services that respond to evolving customer needs;

- expand its distribution channels to ensure that resellers across multiple industry and geographic segments will perceive the Company as a credible market participant and reliable supplier that will enable the profitable growth of their business;

- develop customer support capacity as sales increase, so that the Company can deliver cost-effective scalable support services to support its sales efforts in a manner that does not divert resources from product development efforts; and

- expand the Company's internal management, financial and IT controls significantly, so that it can maintain control over its operations and provide support to other functional areas within the Company's business as the number of personnel and size of its business increases.

Any failure to manage the Company's growth or achieve profitability could have a material adverse effect on its business, financial condition or results of operations.

The Company may lose sales, or sales may be delayed, due to the long sales and implementation cycle for its products

The Company's customers typically invest substantial time, money and other resources researching their needs and available competitive alternatives before deciding to purchase the Company's applications.

Generally, the larger the potential sale, the more time, money and other resources will be invested. As a result, it may take many months after the Company’s first contact with a customer before a sale can be completed. The Company may invest significant sales and other resources in a potential customer that may not generate revenue for a substantial period of time, if at all. The time required for implementation of the Company’s products varies among its customers and may last several months, depending on its customers’ needs, the resources they apply to a project and the products deployed.

During these long sales and implementation cycles, events may occur that affect the size or timing of the order or even cause it to be cancelled. For example:

- purchasing decisions may be postponed, or large purchases reduced, during periods of economic uncertainty;

- the Company or its competitors may announce or introduce new products; or

- the customer's own budget and purchasing priorities may change.

If these events were to occur, sales of the Company’s products or services may be cancelled or delayed, which would reduce its revenue.

If the Company is required to change its pricing models to compete successfully, its margins and operating results may be adversely affected

The highly competitive market in which the Company conducts its business may require the Company to reduce its prices. If the Company’s competitors offer discounts on certain products or services in an effort to recapture or gain market share of other software products, the Company may be required to lower prices or offer other favourable terms to compete successfully. Any such change would likely reduce its margins and could adversely affect its operating results. Some of the Company’s competitors may bundle software products that compete with the Company for promotional purposes or as a long-term pricing strategy or provide guarantees of prices and product implementations. These practices could, over time, limit the prices that the Company can charge for its products. If the Company cannot offset price reductions with a corresponding increase in the number of sales or with lower spending, then the reduced software licence revenue resulting from lower prices would adversely affect its margins and operating costs.

The Company’s growth depends in part on the success of its strategic relationships with third parties.

Identifying partners and negotiating and documenting relationships with them require significant time and resources as does integrating third-party content and technology. The Company’s agreements with technology and content providers are typically non- exclusive and do not prohibit them from working with the Company’s competitors or from offering competing services. The Company’s competitors may be effective in providing incentives to third parties, including its partners, to favour their products or services or to prevent or reduce subscriptions to the Company’s application suite either by disrupting the Company’s relationship with existing customers or by limiting its ability to win new customers. In addition, global economic conditions could adversely affect the businesses of the Company’s partners, and it is possible that they may not be able to devote the additional resources the Company’s expects to the relationship. Although the Company believes that it has a good relationship with its existing third parties and partners, if the Company is unsuccessful in establishing or maintaining its relationships with these third parties, the Company’s ability to compete in the marketplace or to grow its revenue could be impaired and its operating results would suffer. Even if it is successful, continued establishment and maintenance of these third party relationships may not result in increased customer usage of the Company’s application suite or revenue.

The financial condition of third parties may adversely affect the Company

The Company relies on third party suppliers to provide it with components and services necessary for the completion and delivery of its products. In addition, the Company periodically outsources limited aspects of the development and testing of its products to third parties and a significant increase in the price of the services provided by these third parties, or delays in their deliveries, could have a material adverse effect on the Company's business, financial condition and results of operations. In the event that any of the third parties with whom the Company has significant relationships, including its channel partners and third party suppliers, files a petition in or is assigned into bankruptcy or becomes insolvent, or makes an assignment for the benefit of creditors or makes any arrangements or otherwise becomes subject to any proceedings under bankruptcy or insolvency laws with a trustee, or a receiver is appointed in respect of a substantial portion of its property, or such third party liquidates or winds up its daily operations for any reason whatsoever, then the Company's business, financial position and results of operations may be materially and adversely affected.

The Company's success depends in part on its ability to protect its rights in its intellectual property

The Company relies on various intellectual property protections, including contractual provisions, patents, copyright, trade secrets, trademarks and know-how to preserve its intellectual property rights. Although it currently has patents and patent applications, most of the Company's core technology is primarily protected by trade secrets and copyright. The Company typically enters into agreements with its employees, consultants, customers, channel partners and vendors in an effort to control ownership of its intellectual property and access to and distribution of its software, documentation and other proprietary information. Despite these precautions, there may be authors of some of the intellectual property that forms part of the Company's software products who have not assigned their intellectual property rights to the Company and who have not waived their moral rights with respect thereto. The steps the Company takes may not prevent misappropriation of its intellectual property, and the agreements it enters into may not be enforceable. It may also be possible for third parties to obtain and use the Company's intellectual property without its authorization. Policing unauthorized use of intellectual property is difficult, time-consuming and costly. Further, some foreign laws do not protect proprietary rights to the same extent as the laws of Canada or the United States. Additionally, the absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of our proprietary rights. Trademark protection is an important factor in establishing product recognition. The Company's ability to protect its trademarks from infringement could result in injury to any goodwill which may be developed in its trademarks. Moreover, the Company may be unable to use one or more of its trademarks because of successful third party claims. To protect its intellectual property, the Company may become involved in litigation, which could result in substantial expenses, divert the attention of management, cause significant delays, materially disrupt the conduct of its business or adversely affect its revenue, financial condition and results of operations.

Intellectual property claims brought against the Company could be time consuming, costly to defend and disruptive to its business

The Company cannot determine with certainty whether any existing third party patents or the issuance of any third party patent would require the Company to alter its technology, obtain licenses or cease certain activities. The Company may become subject to claims by third parties that its technology infringes their property rights due to the growth of software products in the Company's target markets, the overlap in functionality of these products and the prevalence of software products. The Company may become subject to these claims either directly or through indemnities against these claims that it routinely provides to its customers. Litigation may be necessary to determine the scope, enforceability and validity of such third party proprietary rights or to establish the Company's proprietary rights. Some of the Company's competitors have substantially greater resources than it does, and those competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company. Regardless of their merit, any such disputes could:

- be time consuming;
- be expensive to defend;
- divert management's attention and focus away from the Company's business;
- subject the Company to significant liabilities; and

- require the Company to enter into costly royalty or licensing agreements or to modify or stop using the infringing technology.

Further, if the Company is found to have infringed any patents, trademarks or other intellectual property rights, a court could award significant damages and enjoin the Company from distributing its products that infringe the patents, trademarks or other intellectual property in jurisdictions in which such rights are affected. This could result in a material adverse effect on the Company's business, results of operations and financial condition.

The loss of the Company's rights to use software currently licensed to it by third parties could increase its operating expenses by forcing the Company to seek alternative technology and adversely affect its ability to compete

The Company licenses certain software used in its products and operations from third parties, generally on a nonexclusive basis, and it uses components from suppliers which are reliant on intellectual property used by such suppliers. The termination or non-renewal of any of these licences, or the failure of these licensors or suppliers to adequately maintain, protect or update their software or intellectual property rights, could delay the Company's ability to ship its products or offer its products under a software as a service model while it seeks to implement alternative technology offered by other sources and could require significant unplanned investments on the Company's part. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third party technology licences relating to one or more of the Company's products or relating to current or future technologies to enhance its product offerings. There is a risk that the Company may not be able to obtain licensing rights to the needed technology or components on commercially reasonable terms, if at all.

The Company uses open source software in connection with its products which exposes it to uncertainty and potential liability

Certain of the Company's products make use of or incorporate open source software components. These components are developed by third parties over whom the Company has no control. It has no assurances that those components do not infringe upon the intellectual property rights of others. The Company could be exposed to infringement claims and liability in connection with the use of those open source software components. The developers of open source software are under no obligation to maintain or update that software, and the Company may be forced to replace such software components with internally developed or commercially licensed software. Certain open source software licences provide that any software that makes use of or incorporates software distributed under that licence will itself become subject to the same general distribution rights and other terms of that licence. As a result, there is a risk that third parties, including the Company's competitors, could have the right to use and distribute certain elements of its products.

The Company's ability to recruit and retain management and other qualified personnel is crucial to its ability to develop, market and support its products

Several members of the Company's senior management team are critical to its business and if these individuals do not remain with the Company in the future, their absence may have a negative impact on its financial condition and results of operations. The Company's future success depends, in part, on the continued efforts and abilities of its senior management team. Their skills, experience and industry contacts significantly benefit the Company. Although the Company offers competitive compensation packages to attract and retain its senior management team and although it has employment and non-competition agreements with these employees, it cannot be certain that they or other key employees will all choose to remain employed by the Company. The Company does not carry key person insurance on any of these employees for the benefit of the Company. If the Company loses the services of one or more of these individuals, or if one or more of them decide to join a competitor or otherwise compete directly with the Company, its business, operating results, and financial condition could be harmed.

The Company also depends on the services of its key technical, sales and management personnel. Many of these individuals would be difficult to replace if they were to leave the Company's employment. The loss of the services of any of these persons could have a material adverse effect on its business, results of operations and financial condition. The Company's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified management, technical, sales and marketing personnel. Competition for such personnel can be intense, and the Company cannot assure that it will be able to attract or retain highly qualified technical and managerial personnel in the future. The Company's inability to attract and retain the necessary management, technical, sales and marketing personnel may adversely affect its future growth and profitability. It may be necessary for the Company to increase the level of compensation paid to existing or new employees to a degree that its operating expenses could be materially increased.

The Company's ability to develop new software solutions and to enhance its existing software solutions depends, in part, on its ability to recruit and to retain top quality software programmers. If the Company is unable to hire and to retain sufficient numbers of qualified programming personnel, it may not be able to develop new software solutions or to improve its existing software solutions in the time frame necessary to execute its business plan.

Any significant changes in the technological paradigm used for building or delivering applications in Smartphone devices may harm the Company's business and prospects

The technological paradigm used for building or delivering applications in Smartphone devices may be subject to significant changes. The Company's business and future success depends, in part, on its ability to accurately predict and anticipate the evolving technology and to keep pace with such changes in technology and industry standards. If the Company is unable to successfully address these developments on a timely basis or at all, then the Company's business, financial position and results of operations may be materially and adversely affected.

The Company's software products may contain errors or defects that could result in lost revenue, delayed or limited market acceptance, or product liability claims with substantial litigation costs

As a result of their complexity, software products may contain undetected errors or failures when entering the market. Despite testing performed by the Company and testing and use by current and potential customers, defects and errors may be found in new software products after commencement of commercial shipments or the offering of a service using these software products. In addition, because the Company's products are sold and marketed in different countries, the products must function in and meet the requirements of many different communication environments and be compatible with various communication systems and mobile handsets and associated products. In these circumstances, the Company may be unable to successfully correct the errors in a timely manner or at all. The occurrence of errors and failures in the Company's software products could result in negative publicity and a loss of, or delay in, market acceptance of those software products. Such publicity could reduce revenue from new licenses and lead to increased customer attrition. Alleviating these errors and failures could require significant expenditure of capital and other resources by the Company. The consequences of these errors and failures could have a material adverse effect on the Company's business, results of operations and financial condition. Any errors, defects, or other performance problems with the Company's products could result in financial or other damage to its customers. The Company's customers or other third parties could seek to recover damages from the Company in the event of actual or alleged failures of its software solutions. Although its license agreements with customers typically contain provisions designed to limit the Company's exposure to potential claims, as well as any liabilities arising from these claims, the provisions may not effectively protect against these claims and the liability and associated costs. Accordingly, any such claim could have a material adverse effect upon the Company's business, results of operations, and financial condition. In addition, defending this kind of claim, regardless of its merits, or otherwise satisfying affected customers, could entail substantial expense and require the devotion of significant time and attention by key management personnel.

Currency exchange rate fluctuations and other risks associated with the Company's international operations may adversely affect its operating results

The Company is subject to risks of doing business internationally, including fluctuations in currency exchange rates, increases in duty rates, difficulties in obtaining export licenses, difficulties in the enforcement of intellectual property rights and political uncertainties. The Company is exposed to foreign currency fluctuations in the US dollar, GBP and Euro, which may have a material adverse effect on its business, financial condition and operating results. In particular, the US dollar may fluctuate significantly compared to the Canadian dollar, causing reduced revenue and cash flow as most of the Company's revenues are received in US dollars while most of the Company's expenses are payable in Canadian dollars.

The Company also plans to continue to expand its international sales and marketing efforts. There are a number of risks inherent in the Company's international business activities, including unexpected changes in governmental policies concerning the import and export of goods, services and technology and other regulatory requirements, tariffs and other trade barriers, costs and risks of localizing products for foreign countries, higher credit risks, potentially adverse tax consequences, limits on repatriation of earnings and the burdens of complying with a wide variety of foreign laws. The financial stability of foreign markets could also affect the Company's international sales. In addition, revenue that the Company earns abroad may be subject to taxation by more than one jurisdiction, which could materially adversely affect its earnings. Additional risks the Company faces in conducting business internationally include longer payment cycles, scalable support offerings and difficulties in managing international operations. These include constraints associated with local laws regarding employment, difficulty in enforcing agreements through foreign legal systems and financial reporting compliance requirements. Each of these factors could have an adverse effect on its business, financial condition and results of operations.

Software product development delays could harm the Company's competitive position and reduce its revenues

If the Company experiences significant delays in releasing new or enhanced software products, its position in the market could be harmed and its revenue could be substantially reduced, which would adversely affect its operating results. In particular, the Company may experience software product development delays associated with the integration of recently acquired software products and technologies. Delays may occur for many reasons, including the inability to hire a sufficient number of developers, discovery of bugs and errors, or the inability of its current or future software products to conform to customer and industry requirements.

If the Company's customers demand performance guarantees, the costs and risks associated with offering its software solutions will increase

The Company and its competitors are being requested, from time to time, to provide specific performance guarantees with respect to the functionality of certain aspects of its software solutions. Similarly, the Company has been requested to quote fixed-price bids for its software solutions. These requests present risks, because no two implementations of its software solutions are identical, and therefore the Company cannot accurately predict precisely what will be required to meet these performance standards. If this trend continues, the Company's profitability may be affected if it is required to spend more to meet its commitments.

The Company may be subject to challenges by taxing authorities which may adversely affect its business

Although the Company is of the view that all expenses and tax credits claimed by it, including research and development expenses and related tax credits, are reasonable and deductible and have been correctly determined, there can be no assurance that the Canadian and United States taxation authorities will agree. If the Canadian and United States taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, the Company's operating results could be adversely affected. If the Canadian and United States taxation authorities reduce the tax credit either by reducing the rate of the grant or the eligibility of some research and development expenses in the future, the Company's operating results may be adversely affected. We are also subject to taxation in various jurisdictions and the applicable taxing authorities may disagree with our tax positions in such jurisdictions.

Risks Relating to the Industry

The market for software as a service is in the growth stage of development, and if it does not develop or develops more *slowly than the Company expects, the Company's business will be harmed.*

Factors that may affect the market acceptance of software as a service include:

- perceived security capabilities and reliability;
- perceived concerns about ability to scale operations for large enterprise customers;
- concerns with entrusting a third party to store and manage critical employee data; and
- the level of configurability or customizability of the software.

If organizations do not perceive the benefits of software as a service, the market for the Company's software may not develop further, or it may develop more slowly than the Company expects, either of which would adversely affect the Company's business.

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

The Company's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, financial condition and results of operations. Many of its competitors and potential competitors have significantly greater financial, technical, marketing, service and other resources than the Company has. Many of these companies also have a larger installed base of users, have longer operating histories or have greater name recognition than the Company. The Company's relatively smaller size may be considered negatively by prospective customers. Its competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements or may devote greater resources to the development, promotion and sale of their products than the Company does. Many competitive factors affect the market for its products and its ability to earn maintenance, professional services and new license revenue. Some of these factors are: vendor and product reputation; industry specific expertise; cost of ownership; ease and speed of implementation: customer support; product architecture, quality, price and performance; product performance attributes, such as flexibility, scalability, compatibility, functionality and ease of use; and vendor financial stability.

Economic uncertainty and downturns in the software market may lead to decreases in the Company's revenue and margins

The market for the Company's products depends on economic conditions affecting the broader software market. The current significant global economic downturn may cause businesses to delay or cancel software projects, reduce their overall information technology budgets or reduce or cancel orders for the Company's products. In this environment, customers may experience financial difficulty, fail to purchase or defer the budget for the purchase of the Company's products or cease operations. This, in turn, may lead to longer sales cycles, delays or failures in payment and collection, and price pressures, causing the Company to realize lower revenue and margins. In addition, customers may be reluctant to purchase products from smaller suppliers such as the Company and this could result in reduced customer wins. If growth in software deployments does not continue or is significantly slower than forecasted by the market experts, this could have an adverse effect on the Company's business, financial condition and results of operations. A deterioration in the economic environment may accelerate the effect of the various risk factors described in this MD&A, as well as result in other unforeseen events that could impact our business and financial condition.

The impact of geopolitical and other global or local events may have a significant effect on the Company's operations

Various events, including natural disasters, extreme weather conditions, power loss, telecommunication and system failures, computer viruses, physical attacks, cyber-attacks, labour disputes, civil unrest, war, political instability, terrorism, and contagious illness outbreaks, or the perceived threat of these events, may cause a disruption of the Company's normal operations and may disrupt the domestic and international travel of the Company's sales and other personnel. Any disruption in the ability of its personnel to travel could have a material and adverse impact on the Company's ability to provide service to its customers, which could, in turn, have a material adverse effect on its business, results of operations and financial condition. In addition, these events or the perceived threat of these events may require the Company to reorganize its day-to-day operations to minimize the associated risks. Any expense related to the reorganization of its day-to-day operations, even on a short-term basis, could also have a material adverse effect on the Company's business, results of operations and financial condition.

Government regulation of the Internet may have an adverse effect on the Company's business

The application of existing laws and regulations to the Company, relating to issues such as user privacy, defamation, pricing, advertising, taxation, promotions, consumer protection, content regulation, quality of products and services, and intellectual property ownership and infringement, can be unclear. Customer's ability to use and share data could be affected by laws and regulations relating to the solicitation, collection, processing or use of personal or consumer information, potentially reducing demand for Internet-based solutions and restricting our ability to store, process, analyze and share data through the Internet. In addition, the Company will also be subject to new laws and regulations directly applicable to its activities. Any existing or new legislation applicable to the Company could expose it to substantial liability, including significant expenses necessary to comply with such laws and regulations.

International government regulations may adversely affect the Company's business

Because regulatory schemes vary by country, the Company (as well as parties it carries on business with) may be subject to rules and regulations in foreign countries of which it is not presently aware. If that were to be the case, then the Company could be subject to travel restrictions and/or sanctions by a foreign government that could materially adversely affect its ability to deploy its products in such country or to subscribers in such country. The Company cannot guarantee that it will be able to obtain the necessary travel permissions, licenses and regulatory approvals in the future or that such travel permissions, licenses and approvals will be granted on a timely basis, if at all. The failure to obtain the necessary travel permissions, licenses and authorizations internationally could have a material adverse effect on the Company's ability to generate revenue and on its overall competitive position.

Additional Risk Factors

The Company's share price will fluctuate

The trading price of the Company's common shares is subject to change and could in the future fluctuate significantly. The fluctuations could be in response to numerous factors beyond the Company's control, including: quarterly variations in results of operations; announcements of technological innovations or new products by the Company, its customers or competitors; changes in securities analysts' recommendations; announcements of acquisitions; changes in earnings estimates made by independent analysts; general fluctuations in the stock market; or revenue and results of operations below the expectations of public market securities analysts or investors. Any of these could result in a sharp decline in the market price of the common shares.

In addition, stock markets have occasionally experienced extreme price and volume fluctuations. The market prices for high-technology companies have been particularly affected by these market fluctuations and such effects have often been unrelated to the opening performance of such companies. These broad market fluctuations may cause a decline in the market price of the common shares.

The Company's significant shareholders will have the ability to control certain corporate actions

The Company's significant shareholders may be in a position to exercise significant influence over all matters requiring shareholder approval, including the election of directors, determination of significant corporate actions, amendments to the Company's articles and by-laws and the approval of any business combinations.

Dividends

The Company does not currently intend to pay any cash dividends on its common shares in the foreseeable future and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The Company's current policy is to retain earnings to finance the development of new lines of products and to otherwise reinvest in the Company. The Company's dividend policy will be reviewed from time to time by the board of directors of the Company in the context of its earnings, financial condition and other relevant factors. Until the Company pays dividends, which it may never do, its shareholders will not be able to receive a return on its common shares unless they sell them.

COVID-19 and similar global health crises could have a negative impact on the Company, its employees, suppliers and customers

The COVID-19 pandemic has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the pandemic continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The Company's business, operations and financial condition could be materially and adversely affected by the COVID-19 pandemic or the outbreak of other epidemics, pandemics or other health crises. As conditions surrounding the pandemic continue to evolve, the Company may in the future experience unexpected negative impacts from the COVID-19 pandemic. Such impacts could include, with respect to its operations, its suppliers' operations and its customers' operations, forced closures, mandated social distancing, isolation and/or quarantines, impacts of declared states of emergency, public health emergency and similar declarations and could include other increased government regulations, a material reduction in demand for the Company's products, reduced sales, higher costs for new capital, licencing delays, increased operating expenses, delayed performance of contractual obligations, and potential supply and staff shortages, all of which would be expected to negatively impact the business, financial condition and results of operations of the Company and its ability to satisfy its obligations. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in the Company's facilities. Should an employee or visitor in any of the Company's facilities become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk.

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