

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

This Management's Discussion and Analysis ("MD&A") of RESAAS Services Inc. (the "Company", "we", "our", "us" or "RESAAS") is dated April 29, 2021. You should read this MD&A in conjunction with our audited consolidated financial statements and the related notes thereto for the fiscal year ended December 31, 2020. We present our audited consolidated financial statements in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All references to dollar amounts are in Canadian dollars unless otherwise noted.

This MD&A contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in any forward-looking statements. Additional information on the Company, including our voluntarily-filed AIF, is available on SEDAR at www.sedar.com.

RESAAS has developed a cloud-based technology platform for the real estate industry servicing Multiple Listing Services (MLSs), franchises, real estate brokerage and real estate agents on a B2B basis (together, known as "Agents" whether operating on their own or belonging to a MLS, franchise or real estate brokerage).

We have created a suite of tools which integrate with the platform, including a global referral network, lead generation engine, listing management, client engagement modules, customer relationship management (CRM) tools, analytics, file sharing, an advertising engine and payment system. Our Platform enables Agents to communicate with other Agents globally, find leads, send and receive referrals to generate business opportunities, create pre-market property listings before it is made available to the MLS, create off-market property listings that is intended for a closed group and create on-market property listings. There is currently no other provider that can do what we do, and the real estate sector as a whole has been slow in digitalizing its business.

Our mission is to enable Agents to communicate effectively, connect instantly, engage meaningfully and create business opportunities with one another through a platform built for their benefit. Our platform allows for instant discussion and networking opportunities, both on local and global scale, for facilitating easier and richer communication within the real estate industry. We commenced operations in February 2013 and began revenue generating activities for the RESAAS platform in January 2015 after some of the components of the Company's platform were completed. The Company has continued to undertake activities that constitute further development of the platform.

One aspect of RESAAS' technology platform is designed to enable large real estate companies to increase the number of referrals they generate within their organization. Our clients include the worldwide RE/MAX network. Referrals are facilitated every day by RESAAS' technology, presenting new opportunities to the global agents using the network. It also provides business intelligence to the firms involved, helping them make informed decisions about expansion, growth and acquisition.

On May 31, 2019, we closed a non-brokered private placement of 4,000,000 Units at a price of \$0.25 per Unit for aggregate gross proceeds of \$1,000,000. Each Unit consists of one common share of RESAAS and one-half warrant to purchase a common share of RESAAS at \$0.30 until May 31, 2020. In connection with the private placement, the Company paid a cash commission of \$22,800 and paid \$5,250 share issuance costs.

On October 4, 2019, the Company received approval from the TSX Venture Exchange to re-price 12,000,000 warrants to acquire 12,000,000 common shares from \$0.30 to \$0.20. The terms of the Warrants will be further amended to include an accelerated expiry clause such that the exercise period of the Warrants will be reduced to 30 days if, for any 10 consecutive trading day of the common shares, the closing price of the common shares is at or above \$0.25. All other terms of the Warrants remain the same. On December 17, 2019, the Company announced the acceleration clause was triggered resulting in all 12,000,000 warrants expiring on January 11, 2020.

On November 6, 2019, the Company announced it has signed an agreement with two real estate associations in California, Contra Costa Association of Realtors and the Bay East Association of Realtors, collectively representing 10,000 realtors on the eastern side of San Francisco's Bay. RESAAS will be white-labeled and known as "AgentFirst" in these markets, similar to other areas of California. RESAAS' technology platform will integrate with CoreLogic's Clarity Dashboard to allow for Single Sign-On access, enabling realtors to enjoy one-click access into RESAAS without the need to go through normal registration, increasing adoption and usage of the solution.

On January 14, 2020, the Company announced the completion of the acceleration of 12,000,000 warrants as previously announced on December 17, 2019. Of the 12,000,000 warrants accelerated, 3,725,000 were exercised by December 31, 2019 for gross proceeds of \$745,000, 7,370,000 warrants were exercised after December 31, 2019 for gross proceeds of \$1,474,000 and 905,000 unexercised warrants expired on January 11, 2020.

On January 29, 2020, the Company announced the launch of InstantReferrals, a major new benefit to real estate agents using RESAAS. InstantReferrals will deliver qualified leads to the Company's growing membership of subscribing agents.

On February 5, 2020, the Company announced it has extended its relationship with RE/MAX LLC to power its international referral system. RE/MAX LLC has over 125,000 agents in more than 110 countries around the world. The agreement enables RE/MAX agents to send, receive and manage their referral business globally in real-time.

On May 8, 2020, the Company announced the launch of RESAAS Virtual Showcase. Developed by RESAAS for sole purpose of marketing and selling real estate during the pandemic, the RESAAS Virtual Showcase allows real estate agents to conduct virtual tours globally and works with popular video-conferencing services such as Zoom, GotoMeeting and Skype. On May 22, 2020, the Company announced the addition of YouTube Live to both the RESAAS Virtual Showcase and the RESAAS Platform.

On May 27, 2020, the Company announced that AREAA Global has selected the Company to power its referral business among all 17,000 members. AREAA Global is a for-profit subsidiary of the Asian Real Estate Association of America (AREAA), the largest Asian organization in North America.

On June 15, 2020, the Company announced the launch of RESAAS U, an online education and training environment for RESAAS agents.

On August 28, 2020, the Company announced it has entered into an agreement to sell U.S. Food and Drug Administration (FDA) Emergency Use Authorization (EUA) COVID-19 Rapid Test Kits to real estate professionals across the United States through RESAAS's global real estate platform.

On September 29, 2020, the Company announced the launch of Consumer Lead Generation, for the first time bringing prospective consumers into the RESAAS platform.

On September 30, 2020, the Company announced the launch of RESAAS Ultimate, the highest tier plan available for subscription purchase by top RESAAS agents. The Ultimate subscription is priced at US\$99 per month and includes a host of new benefits sought after by top real estate agents that are not otherwise available to regular RESAAS agents, including the ability to receive consumer leads, instant access to referrals, the ability to win unlimited referrals and preferred placement in search results.

On October 22, 2020, the Company announced that San Francisco Association of Realtors has engaged RESAAS as its official software development partner to create a first-to-market email distribution service. The email service will solve a long-term problem that exists within associations of all types. It will allow members to receive emails without having to disclose their actual email addresses.

On October 27, 2020, the Company was announced as a partner in the Keller Cloud Innovation Program. Keller Williams is the world's largest real estate franchise by agent count. RESAAS will enable Keller Williams agents to purchase the RESAAS Ultimate subscription through the Keller Williams Marketplace, the app store for all Keller Williams agents to browse top real estate software.

On November 10, 2020, the Company announced Blimp as a Lead Generation Partner. Blimp is a collaboration solution provider for both consumers and professionals servicing the real estate industry. Blimp provides an all-in-one collaboration space, connecting real estate consumers with professionals in all transaction related conversations across North America.

On December 8, 2020, the Company announced that the LGBTQ + Real Estate Alliance (the “Alliance”) has selected RESAAS to house its member referral business and lead optimization services across North America. The Alliance has more than 50 chapters in the United States and Puerto Rico.

On January 26, 2021, the Company announced the launch of its dedicated Platform for the Global Commercial Real Estate industry valued at \$16 trillion. RESAAS Commercial will be white-labeled for large commercial real estate firms and brokerages.

On February 5, 2021, the Company announced an integration with Local Logic, a fast-growing real estate technology company. Local Logic is a location intelligence platform that provides powerful insights on not just properties, but the broader built environment in which they exist. By leveraging data points on properties across the United States and Canada, Local Logic creates powerful insights and precise scores for a myriad of external factors such as noise, vibrancy and walkability, helping agents and brokers identify properties and neighborhoods that fit a wide range of preferences.

On March 9, 2021, the Company announced the addition of Randall Miles to the Company’s Advisory Board. Mr. Miles has over 25 years’ experience in senior management, corporate finance, private equity, business development and merchant banking. Mr. Miles is currently Vice-Chair Board of Directors of eXp World Holdings (NASDAQ: EXPI) and Managing Partner at SCM Capital Group. Formerly, Mr. Miles has held senior executive positions at re-eminent investment banks and has served as CEO of public and private equity backed high growth companies.

On March 11, 2021, the Company announced The Agency, a leading global real estate brokerage in Park City, Utah, has selected RESAAS to enhance its international marketing and referral business. The Agency is a full-service, luxury real estate brokerage, with 22 offices spanning the United States, Canada, Mexico and Caribbean. It has over 700 agents.

On March 18, 2021, the Company announced Bald Eagle Realty, a leading Utah based real estate brokerage with, has selected RESAAS for marketing and promotion. Bald Eagle covers the prestigious Deer Valley, Utah, one of the world’s most luxurious ski resorts owned by Vail resorts.

On March 31, 2021, the Company announced it has engaged investor relation specialists MZ Group (“MZ”) to lead a comprehensive strategic capital markets and investor relations program across all key markets. MZ, one of the world’s largest independent investor relations firms, will work closely with RESAAS management and advisory teams to develop and implement a comprehensive capital markets strategy. The program is designed to increase the Company’s visibility across the investment community, with an emphasis on the US market and considerations to graduate to a senior exchange in the United States.

Selected Annual Information

The following table reflects selected financial information of the Company for the last three fiscal years derived from the audited consolidated financial statements.

	Years Ended December 31		
	2020	2019	2018
	\$	\$	\$
Revenue	656,767	802,286	618,152
Net loss	(2,780,329)	(3,125,533)	(5,845,123)
Basic and diluted loss per share	(0.04)	(0.06)	(0.13)
Total assets	669,008	1,469,995	2,136,518
Total non-current financial liabilities	6,932	16,988	5,800
Working capital (deficiency)	(416,131)	104,779	715,768
Cash dividends	—	—	—

Revenue

The Company's revenue is primary earned from its cloud-based software-as-a-service for the real estate industry ("SaaS revenue"). SaaS revenue includes revenue from subscriptions fees and revenue from development work. During the year ended December 31, 2020, the Company also earned revenue from the sale of COVID-19 rapid test kits to its network of real estate agents. The Company earned total revenue of \$618,152 during the year ended December 31, 2018, \$802,286 during the year ended December 31, 2019 and \$656,767 during the year ended December 31, 2020. The growth in total revenue from fiscal 2018 to fiscal 2019 was primarily attributed to custom development work performed for the Company's clients in fiscal 2019. In fiscal 2020, the Company elected to reduce the amount of custom development work it took on in an effort to focus on its core business, resulting in an expected decrease in SaaS revenue from fiscal 2019 to fiscal 2020.

Net Loss

Net loss from continuing operations decreased by \$345,204 from \$3,125,533 during the year ended December 31, 2019 to \$2,780,329 during the year ended December 31, 2020. The decrease is primarily attributed to the decrease in general and administrative expense of \$469,532 from the year ended December 31, 2019 to the year ended December 31, 2020.

Operating Expenses

Amortization

Amortization expense consists of the amortization of capitalized costs to develop the Company's platform and amortization of the Real-Block Inc. blockchain application. Amortization expense decreased by \$17,238 or 9% to \$176,319 for the year ended December 31, 2020 from \$193,557 for the year ended December 31, 2019. Amortization of right-of-use assets decreased by \$21,115 or 15% to \$115,411 for the year ended December 31, 2020 from \$136,526 for the year ended December 31, 2019. The decrease was due to the continuing amortization of existing assets during the year ended December 31, 2020.

Consulting Fees

Consulting fees primarily consists of consultants engaged for investor relation activities. Consulting fees decreased by \$101,422 or 37% to \$169,239 for the year ended December 31, 2020 from \$270,661 for the year ended December 31, 2019. The decrease is primarily attributed to a reduction in the number of consultants during the year. As at December 31, 2020, the Company has no consultants.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and benefits, rent, insurance, information technology and facility-related costs. General and administrative expenses decreased by \$469,532, or 23%, to \$1,564,324 for the year ended December 31, 2020 from \$2,033,856 for the year ended December 31, 2019. The decrease was primarily attributed to the decrease in salaries and benefits as a result of receiving subsidies of \$420,784 under the Canada Emergency Wage Subsidy program and \$17,754 under the Canada Emergency Rent subsidy program from the Government of Canada's Covid-19 support plan.

Management Fee Expenses

Management fee expenses consist primarily of salaries and benefits to key management. Management fee expenses decreased by \$135,397, or 22%, to \$467,309 for the year ended December 31, 2020 from \$602,706 for the year ended December 31, 2019. The decrease in management fee expense is primarily attributed to the decrease in management size. During the year ended December 31, 2020, the Company included the compensation paid to the Chief Executive Officer, the Chief Financial Officer, the Chief Operations Officer, the Vice President of Capital Markets and the Vice President of Operations as management fees. During the year ended December 31, 2019, the Company included the compensation paid to the Chief Executive Officer, the Chief Technology Officer, the Chief Financial Officer, the Chief Operations Officer and the Vice President of Operations as management fees.

Total Assets

Total assets were \$669,008 at December 31, 2020 as compared with \$1,469,995 at December 31, 2019. Assets consisted mainly of cash and cash equivalents of \$130,071, amounts receivable of \$74,625 and intangible assets of \$372,072 at December 31, 2020 as compared to cash and cash equivalents of \$353,142, amounts receivable of \$307,762 and intangible assets of \$538,346 at December 31, 2019.

Quarterly Information

Selected consolidated financial information for each of our last eight quarters (unaudited) as prepared in accordance with IFRS is as follows:

	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$	March 31, 2020 \$
Total Assets	669,008	1,057,903	1,391,015	1,920,665
Working Capital (deficiency)	(416,131)	121,555	452,879	856,482
Revenue	311,938	126,378	91,474	126,977
Net Loss	(694,671)	(654,024)	(658,827)	(772,807)
Loss per Share	(0.01)	(0.01)	(0.01)	(0.01)
	December 31, 2019 \$	September 30, 2019 \$	June 30, 2019 \$	March 31, 2019 \$
Total Assets	1,469,995	1,347,248	2,127,402	1,817,962
Working Capital (deficiency)	104,779	(273,599)	370,843	(5,514)
Revenue	126,435	156,978	259,212	259,661
Net Loss	(742,494)	(826,650)	(866,670)	(689,719)
Loss per Share	(0.01)	(0.01)	(0.02)	(0.01)

Three months ended December 31, 2020 and September 30, 2020

At December 31, 2020, total assets were \$669,008 and working capital deficiency was \$416,131 compared to total assets of \$1,057,903 and working capital of \$121,555 at September 30, 2020. The decrease in total assets and decrease in working capital was the result of a decrease in cash from operating expenditures. For the three months ended December 31, 2020, the Company incurred a net loss of \$694,671 compared to a net loss of \$654,024 for the three months ended September 30, 2020. Net loss per share was \$0.01 for the three months ended December 31, 2020 and for the three months ended September 30, 2020. The decrease in net loss was primarily due to an increase in COVID-19 rapid test kit sales of \$207,000 and a decrease stock-based compensation of approximately \$66,000, offset by an increase in bad debt expense of approximately \$247,000 and increase in general and administrative expense of approximately \$67,000 during the three months ended December 31, 2020 as compared to the three months ended September 30, 2020.

Three months ended December 31, 2020 and December 31, 2019

At December 31, 2020, total assets were \$669,008 and working capital deficiency was \$416,131 compared to total assets of \$1,469,995 and working capital of \$104,779 at December 31, 2019. The decrease in total assets and decrease in working capital was the result of a decrease in cash from operating expenditures. For the three months ended December 31, 2020, the Company posted a net loss of \$694,671 compared to a net loss of \$742,494 for the three months ended December 31, 2019. Net loss per share was \$0.01 for the three months ended December 31, 2020 and for the three months ended December 31, 2019. The decrease in net loss was primarily due to a decrease in consulting expense of approximately \$32,000, management fees of approximately \$38,000, general and administrative of approximately \$52,000, stock-based compensation of approximately \$61,000, offset by an increase in bad debt expense of approximately \$247,000 and decrease in impairment of joint venture of \$48,000 during the three months ended December 31, 2020 as compared to the three months ended December 31, 2019.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have incurred operating losses. We will need capital to fund our operations, which we may obtain from additional financings, debt and operations revenue or other sources. To date, we have financed our operations primarily through the issuance of our common shares.

As at December 31, 2020, we had total assets of \$669,008 compared with \$1,469,995 as at December 31, 2019. The decrease in assets is attributed to decrease in cash and a decrease in the carrying amount of intangible assets. The Company had a cash balance of \$130,071 and working capital deficiency of \$416,131 at December 31, 2020, compared with a cash balance of \$353,142 and working capital of \$104,779 at December 31, 2019. The decrease in cash and working capital was a result of operating expenditures.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of December 31, 2020, the Company had not yet generated significant revenue or positive cash flow from operations and had an accumulated deficit of \$50,873,175. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis. The Company's strategy is to mitigate risks and uncertainties and to execute a business plan aimed at revenue growth and managing operating expenses and working capital requirements. Failure to implement this plan could have a material adverse effect on the Company's financial condition and results of operations.

Cash Flows

The following table summarizes the results of our cash flows for the year ended December 31, 2020, and 2019:

	2020	2019
Opening balance	\$353,142	\$1,133,966
Net cash (outflow) from operating activities	(1,644,459)	(2,469,344)
Net cash inflow from investing activities	61,371	41,290
Net cash inflow from financing activities	1,360,017	1,647,230
Closing balance	<u>\$130,071</u>	<u>\$353,142</u>

Operating Activities

Net cash outflow from operating activities decreased by \$824,885, or 33%, to \$1,644,459 for the year ended December 31, 2020 compared to \$2,469,344 for the year ended December 31, 2019. This decrease was primarily due to a decrease in net loss after non-cash items.

Investing Activities

Net cash inflow provided by investing activities for the year ended December 31, 2020 includes the sublease income of \$56,512 and proceeds from disposal of assets of \$6,250 less amounts paid for the purchase of property and equipment for \$1,391. Net cash inflow provided by investing activities for the year ended December 31, 2019 includes the sublease income of \$65,290 less amounts paid for investment in joint venture for \$24,000. Cash inflow increased during the year ended December 31, 2020 from 2019 as a result of not incurring any amounts paid for investment in joint venture during the year ended December 31, 2020.

Financing Activities

Net cash inflows from financing activities for the year ended December 31, 2020 and 2019 relates primarily to the issuance of common shares. During the year ended December 31, 2020, the Company received net proceeds of \$1,503,000 (2019 - \$1,716,950) from the issuance of 7,850,000 common shares (2019 - 7,725,000 common shares) and additional common share subscriptions for \$nil (2019 - \$115,000) pursuant to private placement and exercise of warrants and stock options.

Related Party Transactions

During the year ended December 31, 2020, the Company incurred management fees of \$467,309 (2019 - \$602,706) to various officers of the Company.

The amounts incurred are in the normal course of operations and have been recorded at their exchange amounts, which are the amounts agreed upon by the transacting parties.

Contractual Obligations and Commitments

The following table summarizes our contractual commitments and obligations as of December 31, 2020:

	Payments Due By Period				
	Total	Less Than 1 Year	Between 1 and 3 Years	Between 3 and 5 Years	More Than 5 Years
Operating lease obligations	\$51,886	\$44,850	\$7,036	\$ —	\$ —
Total contractual obligations	\$51,886	\$44,850	\$7,036	\$ —	\$ —

Off-Balance Sheet Arrangements

We do not have any, and during the periods presented we did not have any, off-balance sheet arrangements, other than the contractual obligations and commitments described above.

Funding Requirements

We believe we will raise sufficient funds to enable us to fund our operating expenses and capital expenditure requirements. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- Raising capital through the sale of equity or convertible debt securities;
- Continue to grow monthly recurring revenue through Ultimate subscription and Premium subscription conversion, signing new accounts with MLSs and franchises;
- Continue to grow transaction revenue through the sale of consumer leads and launching RESAAS Pay;
- Continue to enhance the RESAAS platform to increase opportunities for monetizing;
- maintaining, enforcing and protecting our intellectual property rights and defending against any intellectual property-related claims;
- our ability to establish and maintain collaborations, licensing or other arrangements and the financial terms of such arrangements;
- the extent to which we acquire or invest in other businesses, products and technologies;
- the rate of the expansion of our physical presence in the United States and abroad; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs through a combination of equity offerings, collaborations, strategic alliances, debt financings, and marketing, distribution or licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our existing shareholders may be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common shares. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends or other distributions.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay, limit, reduce or terminate our platform development or future commercialization efforts or grant rights to develop and market platform that we would otherwise prefer to develop and market ourselves.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. While the Company does not anticipate any long-term impact, it is not possible to reliably estimate the immediate impact on the financial results and condition of the Company. The Company does not anticipate COVID-19 to negatively impact its business on a mid-term and long-term basis considering it is a cloud platform designed for agents to work remotely with each other, and will continue to monitor and assess risks.

Critical Accounting Estimates

We make estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in our consolidated financial statements within the next financial year are discussed below.

(a) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, we measure the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

The fair value of stock options granted is measured using a Black-Scholes model. Measurement inputs include share price on measure date, exercise price of the option, expected volatility, actual and expected life of the

option, expected dividends based on the dividend yield at the date of the grant, anticipated forfeiture rate, and the risk-free interest rate. The expected life of the options is based on historical experience and general option holder behavior. The Company also makes an estimate of the number of options that will be forfeited and the rate is adjusted to reflect the actual number of options that vest. Consequently, the actual stock-based compensation expense may vary from the amount estimated.

(b) Impairment of Non-financial Assets

The carrying amounts of our non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU").

Our corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than goodwill and intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(c) Revenue Recognition for Special Contracts and Projects

The Company has projects with multiple deliverables that generally include subscriptions for software and services. Estimates are required to determine the status of a project at each period end.

New Accounting Pronouncements

IAS 20 – Accounting for government grants and disclosure of government assistance ("IAS 20")

The Company applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy ("CEWS") program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. Government grants and assistance are recognized as a reduction in the related expense in the period in which there is reasonable assurance that the grant or assistance has become receivable and all conditions, if any, have been satisfied.

Quantitative and Qualitative Disclosures about Financial Risks

Our activities expose us to a variety of financial risks: market risk (including foreign currency risk), cash flow and fair value interest rate risk, credit risk, and liquidity risk. Our principal financial instrument comprises cash and cash equivalents, and this is used to finance our operations. We have various other financial instruments such as trade receivables and payables that arise directly from our operations. The category of loans and receivables contains

only trade and other receivables, shown on the face of the balance sheet, all of which mature within one year. We have compared fair value to book value for each class of financial asset and liability and no difference was identified. We have a policy, which has been consistently followed, of not trading in financial instruments.

Interest Rate Risk

We do not hold any derivative instruments to manage interest rate risk.

Foreign Currency Risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognized asset or liability will fluctuate due to changes in foreign currency rates. Our net income and financial position, as expressed in Canadian dollars, are exposed to movements in foreign exchange rates against the U.S. dollar. We are exposed to foreign currency risk as a result of operating transactions and the translation for foreign bank accounts. We monitor our exposure to foreign exchange risk. Exposures are generally managed through natural hedging via the currency denomination of cash balances and any impact currently is not material to us.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk associated with cash and the potential non-collectability of accounts receivable. The risk to cash is mitigated by placing the cash in high credit quality Canadian financial institutions. The Company's credit risk and maximum exposure thereto is as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Cash held in Canadian financial institutions	130,071	353,142
Accounts receivable	73,490	307,762
	<u>203,561</u>	<u>660,904</u>

Liquidity Risk

We have funded our operations since inception primarily through the issuance of equity securities. Until such time as we can generate significant revenue from platform, if ever, we expect to finance our operations through a combination of public or private equity or debt financings or other sources. Adequate additional financing may not be available to us on acceptable terms, or at all. Our inability to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy.

Subsequent Events

Subsequent to year-end, 1,915,000 stock options were exercised for gross proceeds of \$592,000.

Subsequent to year-end, 205,000 stock options and 100,000 share purchase warrants expired unexercised.

Outstanding Share Data

As at April 29, 2020, we had no Class A preferred shares issued and outstanding.

As at April 29, 2020, we had no Class B preferred shares issued and outstanding.

As at April 29, 2020, we had 71,233,002 common shares issued and outstanding.

As at April 29, 2020, we had 8,318,000 stock options and Nil warrants issued and outstanding.

Additional Disclosure for Venture Issuers Without Significant Revenues

During the year ended December 31, 2020, the material components of general & administrative expenses included rent of \$94,429 (2019 - \$94,413), employee wages of \$1,125,601 (2019 - \$1,461,479), office expenses of \$69,122 (2019 - \$66,930), platform and information technology expenses of \$234,996 (2019 - \$251,492), and insurance of \$28,373 (2019 - \$112,218).