ONESOFT SOLUTIONS INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2020

DATED: March 23, 2021

Table of Contents

FORWARD LOOKING STATEMENTS

This Annual Information Form ("AIF") for the year ended December 31, 2020, (the "Dec. 2020 AIF") contains historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results, performance or achievements of the Company and its subsidiaries. The latter statements, which are forward-looking statements, are presented to provide guidance to the reader but their accuracy depends on several assumptions and are subject to various known and unknown risks and uncertainties.

Forward-looking statements are included under the headings "Relationship with Microsoft Inc.", "Product Line", "Product", "Product Development", "CIM Product Development in Fiscal 2020", OneBridge Innovation Lab & Technology Roadmap", "The CIM Technology Advantage", "Analysis of Potential Markets for CIM", "Potential Use of the CIM Platform for Water and Waste-Water Markets", "CIM Sales and Revenue Growth", "Business Outlook for 2021", "Competitive Conditions". "Competitive Conditions", "Business Cycles", "Changes to Contracts" and the section entitled "Risks and Uncertainties". When used in the Dec. 2020 AIF, such statements may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward looking information in the Dec 2020 AIF includes, without limitation, statements regarding funding requirements. These statements are based on management's current expectations regarding future events and operating performance, are based on information currently available to management, speak only as of the date of the Dec. 2020 AIF and are subject to risks described herein and in the Company's public filings on the Canadian Securities Administrators' website at www.sedar.com ("SEDAR") and as updated from time to time, and would include, but are not limited to, the emergence of the COVID-19 world pandemic, the world-wide large reduction in the trading price of crude oil which may affect the revenue of OneSoft's clients, the large reduction in the price of OneSoft's and its clients' shares on publicly traded stock exchanges, dependence on market economic conditions, sales and margin risk, the efficacy of the Company's software, acquisition and integration risks, competition, information system risks, risks associated with the introduction of new products, product design risk, environmental risks, customer and vendor risks, credit risks, currency risks, tax risks, risks of legislative changes, risks relating to remote operations, key executive risk and litigation risks. In addition, there are numerous risks associated with an investment in the Company's common shares, which are updated from time to time in the Company's other public filings on SEDAR. These risks and uncertainties may cause actual results to differ materially from those expressed in forward-looking statements.

Such statements reflect management's current views and are based on certain assumptions. Some of the key assumptions include, but are not limited to, assumptions regarding the performance of the Canadian and the United States economies, interest rates, exchange rates, capital availability, the amount of the Company's cash flow from operations; tax laws; laws and regulations relating to the protection of the environment; and capital spending requirements or planning in respect thereto, including but not limited to the performance of any such business and its operation. They are, by necessity, only estimates of future developments and actual developments may differ materially from these statements due to several known and unknown factors. Investors are cautioned not to place undue reliance on these forward-looking statements.

All forward-looking information in the Dec. 2020 AIF is qualified by these cautionary statements. Although the forward-looking information contained in this Dec. 2020 AIF is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in the Dec. 2020 AIF may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this Dec. 2020 AIF.

The forward-looking statements contained in the Dec. 2020 AIF are made as of the date of this report and should not be relied upon as representing management's views as of any date after the date of this report. Except as required by applicable law, the Company undertakes no obligation to publicly update or otherwise revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

CORPORATE STRUCTURE

Name, Address and Incorporation

OneSoft Solutions Inc. ("OneSoft", "OSS" or the "Company") is a corporation formed by certificate of incorporation issued pursuant to the provisions of the Alberta *Business Corporations Act* on September 6, 1996 under the name Discovery Acquisitions Inc. On October 15, 2002, the Company amended its Articles of Incorporation to change its name to Vision HRM Software Inc. and on December 2, 2004, the Company changed its name to Serenic Corporation. On July 28, 2014, the Company changed its name to OneSoft Solutions Inc.

The head office of the Company is located at 4217 Enterprise Square, 10230 Jasper Avenue, Edmonton, Alberta, T5J 4P6 and its telephone number is 780-248-5794. The registered office of the Company is located at 1700 Enbridge Centre, 10175 - 101 Street, Edmonton, Alberta, T5J 0H2.

OneSoft is a public company whose common shares trade on the TSX Venture Exchange under the trading symbol "OSS" and on the OTCQB Venture market in the USA under the symbol "OSSIF".

Change in year-end:

Effective in 2018, the Company changed its financial year-end from February 28 to December 31 to align with the financial reporting of most public issuers. The change in year-end resulted in the Company filing a one-time, ten-month transition year for the period of March 1, 2018 to December 31, 2018. Subsequent to the transition year, the Company's financial year is the period January 1 to December 31.

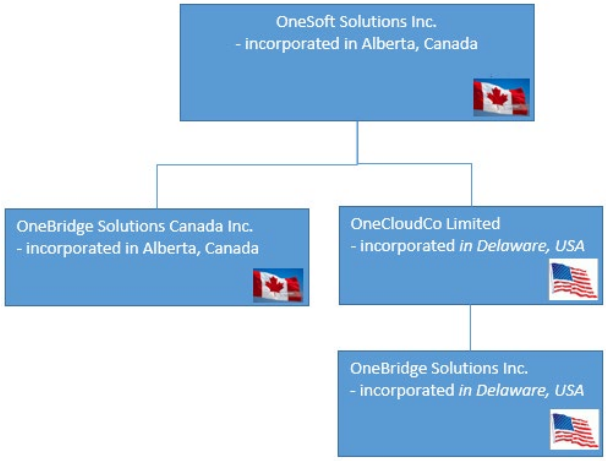
Inter-corporate Relationships

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

On January 1, 2020, Onebridge Solutions Canada Inc was formed through the statutory amalgamation of two wholly owned subsidiaries: CloudCo Solutions Inc. and OneBridge Solutions Inc. Onebridge Solutions Canada Inc provides software development services to the oil and gas pipeline industry and it owns the net assets purchased from Bridge Solutions Inc. OneBridge Solutions Inc. was incorporated in Alberta on June 16, 2015. CloudCo Solutions Inc. was incorporated in Alberta, Canada on July 15, 2014 and it was inactive on the amalgamation date.

OneBridge Solutions, Inc. was incorporated in the State of Delaware, USA, on November 19, 2015 and it markets and sells access to and rights to use the software owned by OneBridge Solutions Canada Inc. OneCloudCo Limited was incorporated in the State of Delaware, USA, on July 18, 2014.

As at January 1, 2020, the Company's corporate structure is as follows. OneSoft Solutions Inc. owns 100% of the shares of OneBridge Solutions Inc, and OneCloudCo Inc. OneCloudCo Inc. owns 100% of the shares of OneBridge Solutions Inc. OneCloudCo Limited owns OneBridge Solutions, Inc. for income tax efficiency purposes.



DESCRIPTION AND DEVELOPMENT OF THE BUSINESS

Summary

OneSoft Solutions Inc. is a provider of software solutions for select markets, all of which are built using Microsoft's Cloud technologies. Its mission is to acquire, manage and build next-generation software businesses that will provide specialized, mission-critical cloud-based software solutions to address customer needs. OneSoft develops software technology and products that have the capability to transition legacy, on premise licensed software applications to

operate on the Microsoft Cloud using Microsoft Business Intelligence software ("Microsoft BI") and Microsoft Azure Data Sciences functionality including Machine Learning and Predictive Analytics. OneSoft's business strategy is to seek opportunities to convert legacy business software applications that are historically cumbersome to deploy and costly to operate, to a more cost-efficient subscription-based business model utilizing the Microsoft Cloud platform and services, with accessibility through any internet capable device.

As of date of this Form, all commercial business operations were being conducted through the OneBridge Solutions entities. OneBridge Solutions, Inc. is licensed to sell rights to access and use, on a software-as-a-service ("SAAS") basis only, the Company's products in the USA and select international markets. OneBridge Solutions Canada Inc. owns all the Company's intellectual property and sells rights to access and use the Company's products in Canada.

History of OneSoft Solutions Inc.

The Company began trading as a public company in 1997. It acquired Serenic Canada Inc. of Edmonton, Alberta on October 1, 2002, which sold payroll and human resource management software to users of Microsoft Navision within North America. The Company acquired Serenic Software Inc. of Lakewood, Colorado on July 1, 2004, and by 2013, revenues had grown organically to $12.0 million. Serenic Software (EMEA) Inc. was incorporated October 23, 2012 in England to foster sales expansion into Europe. On July 28, 2014, the Company sold Serenic Software, Inc., Serenic Canada Inc. and Serenic Software (EMEA) Limited (collectively, the "Serenic subsidiaries") to Sylogist Ltd. of Calgary, Alberta for cash of $8,155,777 of which it paid $6,837,506 to its shareholders.

Following the sale of the Serenic subsidiaries, the Company's name became OneSoft Solutions Inc. OneSoft retained the intellectual property and personnel associated with its cloud-based business operations, and it marketed cloud accounting solutions to not-for-profit organizations. On February 29, 2016, OneSoft sold the cloud accounting business assets with payment of the purchase price contingent upon certain revenue minimums being achieved from the business assets. These have not been reached to date and it is uncertain if any payment will be received.

On July 17, 2015, the Company acquired the business of Bridge Solutions Inc. ("Bridge"), a private Alberta company. Bridge had developed technology that assisted pipeline operators in optimizing their infrastructure management and in identifying potential threats to a pipeline's integrity. OneSoft, through OneBridge Solutions Canada Inc., acquired all rights, title and interest in and to the Bridge intellectual properties for an acquisition price of $818,077, paid by issuance of 11,733,024 OSS treasury shares.

Relationship with Microsoft Inc.

OneSoft's technological strategy is closely aligned with Microsoft, as OneSoft's management believes that Microsoft's action to promote its cloud platform as the global cloud platform of choice will have a significant influence on its future success. In December 2015, OneBridge was selected by Microsoft Accelerator, as one of nine companies from 721 applicants from 50 countries, to participate in Microsoft's first Accelerator program to focus on Machine Learning, Data Sciences and Big Data. Accelerator took place in Seattle from February 2016 to June 2016, wherein OSS fast-tracked the design and development of its products. Microsoft's decision to support the OneBridge project has been highly valuable to date and has included collaboration with Microsoft's Oil and Gas sales field teams, who have introduced us to enterprise level prospective customers of which some are now our customers.

OneBridge's status as Microsoft Accelerator alumni allows us the use of Microsoft's world-wide sales and marketing facilities and resources and includes a continuing collaboration on sales and marketing initiatives with Microsoft's specialized teams who sell to oil and gas pipeline customers. Our initial sales meetings with large prospective clients generally include Microsoft personnel who present the value proposition and confidentiality protections of the Microsoft cloud, which is highly important given the industry's prevailing attitudes on maximum secrecy and protection of their data. Microsoft is motivated to contribute resources and expertise because successful deployment of OneBridge's solutions has driven consumption of Microsoft's cloud platform and services and increased their cloud-based revenues, particularly in the oil and gas sector.

PRODUCT REVENUE

The Company currently has two products: software-as-a-service ("SaaS") solutions for the pipeline industry and one-time projects, whereby the Company may undertake development projects for customer if the products produced are complementary to the Company's SaaS solutions. These products are developed by its Canadian subsidiary, OneBridge Solutions Canada Inc. and marketed through its U.S. subsidiary, OneBridge Solutions Inc. to pipeline operators in North

America and select international markets. In January 2017, its first pipeline SaaS solution was released to market for commercial use.

Revenue by Product Line:

	Year Ended December		Ten months	Year ended February	
	2020	2019	December 2018	2018	2017
	$	$	$	$	$
Pipeline Software subscriptions	3,872,393	2,711,768	1,308,345	969,628	530,096
Software development contract	-	-	3,019,500	-	-
Other revenue	183,684	-	-	35,417	40,681
Total revenue	4,056,077	2,711,768	4,327,845	1,005,045	570,777

Revenue by Geographic segments:

	Year ended December		Ten months ended December 2018	Year ended February	
	2020	2019		2018	2017
USA	$ 4,035,234	$ 2,705,518	$ 4,319,512	$ 969,628	$ 404,910
Australia	14,593	-	-	-	-
Canada	6,250	6,250	8,333	35,417	165,867
	$ 4,056,077	$ 2,711,768	$ 4,327,845	$1,005,045	$ 570,777

Description of Revenue Components

Fiscal 2020 revenue expectations and projections have been determined based on sales process and revenue ramp-up factors we experienced as a result of having conducted sales and on-boarding activities during the past two years. The Company's revenue was derived from two sources:

- Annual Recurring Revenue ("**ARR**") revenue buckets include the following:
    - Data-mile Subscription Fee. Some clients may choose a pricing model wherein the CIM monthly usage fee is charged per mile of ingested pipeline data. In this alternative, the Subscription, New and Historic ILI Log Ingestion Fees described below are not charged.
    - SaaS Subscription Fee. This monthly fee is fixed to the client once set based upon the total number of pipeline miles under management by the operator. This fee provides the client with 24/7 access to a base of commonly required functions within CIM.
    - ILI Log Ingestion Fee. Clients pay a fee for each ILI data set ("**Log**" or **"Assessment"**) uploaded to CIM. Clients pay reduced fees to ingest historic ILI Logs, as compared to new/current ILI Logs. We anticipate that most historic ILI logs will generally be loaded in the first 12 to 18 month's use of CIM and generate a temporary rise in revenue during this time. ILI Log ingestion fees are recurring but variable in timing and by number of Logs processed, in that clients typically run tools through (i.e., "**PIG**") their pipelines on regular schedules so as to inspect their full infrastructure over a few years, and in any event within the five or seven year requirement as mandated by U.S. regulators. For example, an operator that is required to inspect 10,000 miles of pipeline on a five-year schedule might PIG 2,000 miles of pipeline each year. Assuming an average of 30 miles per PIG run, the client would therefor expect to load 67 New ILI Logs into CIM each year on average, which represents recurring revenue for the Company.

      From the client's perspective, ingestion of historic and new ILI Logs enables CIM to perform "pit-to-pit" alignment of features (i.e., matching of points of corrosion and other anomalies detected by inspection tools over multiple PIG runs) and thereby track historic growth of anomalies from which future failure points can be predicted. From OneBridge's perspective, each log ingested into CIM provides new learnings which are continually incorporated into and reiterate enhancements of our proprietary machine learning algorithms. It is highly advantageous for both the client and OneBridge to load both historic and new ILI Logs, as they serve to provide more extensive data for better predictive analytics.
    - Microsoft Azure fees are charged where clients choose to use OneBridge's Azure subscription rather than their own to host CIM. This monthly fee is based on the costs of OneBridge's Azure subscription costs and staff time required to manage the subscription.
    - Specialized Functionality Module Fee. The Company has adopted an "Economic Consumption" revenue model wherein clients can access new modules of functionality for additional fees. For example, the

Company is developing a "Repair vs. Replace" module, that operators can use to compare the economics of repairing a segment of pipeline over time versus replacement of that segment with new pipe. CIM can make this determination with two operator-provided variables– the cost of excavation and repair per dig, and the cost of removal and replacement with new pipe. Because CIM tracks and predicts a future failure date for each individual anomaly, the aggregation of anomalies that represent threats to failure can be isolated to specific segments of pipe, thereby enabling a data-driven decision whether repair or replacement is more economical. Another example is a module that specifically identifies interacting threats, such as a crack anomaly overlaid upon a dent anomaly, which may require specific remedial action. Such Specialized Functionality Modules are not typically required regularly by operators but can be accessed on an as-required basis for additional fees.

- Other Revenue includes the following buckets:
    - Production Trials (formerly referred to as Proof of Concept) ("**POC**") Fees. In some cases, the Company may invoice prospective clients for costs associated with CIM trial use including data cleansing services and reimbursement of Azure computing costs. Microsoft may pay a portion or all of a particular POC Fee, depending upon certain factors as determined by Microsoft.
    - Services Fees. Services Fees include various billings associated with on-boarding of clients such as data cleansing, loading of Logs, training, project management and other CIM-associated work.
    - One-time Projects. With the establishment of the OneBridge Innovation Lab as announced on February 13, 2020, future revenue may be generated by one-time development projects that could supplement the Company's IP. An example of this is the Company's migration of Phillips 66 IP to operate on Microsoft's Azure cloud platform which completed in December 2018.

Fiscal 2020 Revenue by Revenue Components

	Year ended:	
OneSoft SaaS Metrics	**Dec. 31, 2020**	**Dec. 31, 2019**
Revenue as reported in the Financial Statements	$ 4,056,077	$ 2,711,768
Revenue categorization:		
Annual Recurring Revenue ("ARR")	$ 3,872,393	$ 2,460,330
Other Revenue	$ 183,684	$ 251,438
Total Revenue	$ 4,056,077	$ 2,711,768
Direct Costs	$ 921,462	$ 701,739
Gross profit	$ 3,134,615	$ 2,010,029
Direct Costs as % of ARR and Other Revenue	23%	26%
Gross profit as % of ARR and Other Revenue	77%	74%
ARR as % of Total Revenue	95%	91%
ARR Growth (Qtr / Qtr, YTD / YTD)	57%	125%

PRODUCT

Cognitive Integrity Management ("CIM") is a software-as-a-service ("SaaS") application that uses the Microsoft Azure Cloud Platform and services including machine learning ("ML"), predictive analytics, business intelligence reporting and other data science components to assist pipeline companies to prevent pipeline failures and improve their pipeline integrity management practices. Fees charged to access and use the software are variable and dependent on key metrics such as the miles of pipeline data analyzed, number and type of pipeline assessments ingested, Azure usage costs and the functionality the clients choose to use.

CIM features revolutionary Pattern Detection and Interacting Threats algorithms to detect and report on threats to the pipeline's integrity. CIM was designed to ingest inline inspection ("ILI") pipeline data using a simple "drag and drop" routine after which the data is normalized, anomalies are aligned to prior ILI data sets, and predictive analytics calculates anomaly growth rates, resulting in detection of threats to pipelines. CIM provides advanced business intelligence, intuitive graphical presentations, dashboard reporting and natural data query language capability that enables operators to manage their pipeline infrastructure with more efficiency than legacy systems and processes that do not utilize cloud computing.

In December 2017, OneBridge entered into an agreement with Phillips 66 Company to migrate functionality from Phillips 66's PT-DMS internally-developed software applications to a cloud-based SaaS solution. This provided five new areas of functionality, as follows:

- Pipeline assessment planning, including enterprise level planning, scheduling and business intelligence;
- Regulatory compliance, wherein client compliance with US pipeline regulations can be shown through reports and information in CIM;
- Threat monitoring, for which actionable workflow and job information for every threat is identified;
- Business intelligence, comprised of data analytics, SQL reporting, 3D visualizations and dashboards with filtering and natural query language capability;
- A pipeline excavation management module to manage all aspects of digging and exposing a pipeline for repair and refurbishment.

CIM is designed to be scalable for global use by a wide range of pipeline companies, from small operators to very large organizations who manage extensive pipeline distribution networks. The commercial pricing model includes monthly fees at various levels for the use of it, based on the number of miles of pipeline operated, number of ILI assessments ingested, Azure usage costs and the fees charged for the specific functionality used.

Management believes CIM is a compelling, comprehensive, cost-effective and scalable integrated platform for both large oil and gas pipeline operators who use internal resources to manage their operational and integrity programs, as well as for smaller pipeline operators who engage outside consultants for integrity management services. Although OneBridge's primary and secondary focuses are currently the USA and Canadian markets, the products are all designed for global use.

Product Development

Product development is done in-house by our staff, several of whom are educated to the Master's and PH.D. levels, augmented by a contracted offshore development team. Development costs consist of staff salaries, contractual amounts paid to the offshore development team and Microsoft Azure cloud computing costs. Specialized skill and knowledge, especially in machine learning with its creation and application of data analysis algorithms and other data sciences and experience with the operations of pipeline integrity departments and other advanced computing techniques is required to develop our products. The Company employs data scientists, highly competent data base analysts and software developers who generate improved results through the creation and application of advanced algorithms and predictive analytics and dashboard reporting which reports the observations made of the pipeline data in an easy to use and attention-directing manner

Our software solutions use numerous new cloud technology components that are relatively new and, as a result, our anticipated product release cycles and schedules are fluid and subject to delays and numerous risks. We will grow and evolve our products in accordance with our product roadmap which is based on our deep domain expertise regarding pipeline data management, continued incorporation of applicable components of Microsoft's cloud platform and services, and incorporation of customer input and feedback regarding product features and functionality they need to manage their pipeline assets as smart infrastructure. New versions of the solution are continually released: During Fiscal 2020 the Company published 13 application releases and 31 cumulative machine learning algorithm updates. More than 5,000 ILI assessments have been ingested into CIM to date, resulting in the Company's algorithms now having capability to detect and report on nearly 250 pipeline excavation criteria, inclusive of both regulatory and operator best practices. More than 60 million features and learnings therefrom, across all data, have been analyzed by CIM to date. The Company has also enhanced and developed new tools to scale on-boarding of new clients commensurate with its plan to scale sales.

CIM Product Development in Fiscal 2020

The Company continued to develop new functionality to incorporate data collected by various integrity and inspection methods for both piggable and non-piggable pipelines. The first of these new functions was released for private preview use on September 8, 2020, to further the capability of CIS, ACVG and DCVG, some of the standard integrity methodologies used in Direct Assessment ("**DA**") processes that search for deterioration of pipeline coatings around which corrosion may occur. DA is used for most pipelines in the U.S.A. (as shown in the O&G TAM chart above), including pipelines for which ILI data is not captured. CIM DA functionality is being developed to work with several of the four phases of DA methodology which includes preassessment, identification, field examination and post-assessment processes. This new software development represents an opportunity for several reasons:

- The new functionality will allow operators to automate the correlation of data for the preassessment stage of DA, including alignment of data with ILI, which will help to improve intelligence and decision-making capability for integrity management engineers. This capability, in conjunction with pit-to-pit analysis, is unique to CIM.

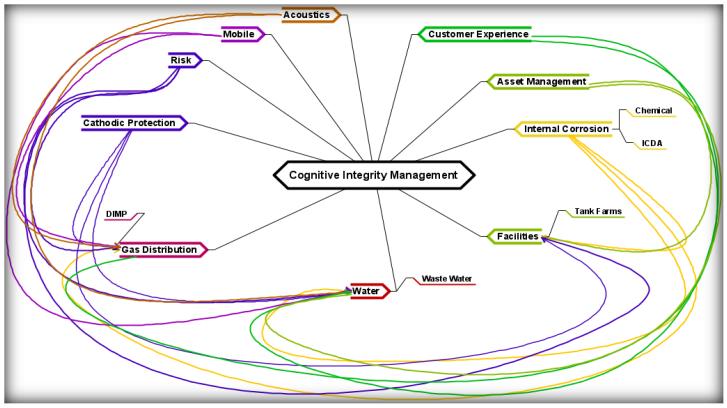
- We anticipate this functionality will increase the number of CIM users as personnel who address DA functions will be able to use CIM in their daily work, and because DA data sets are typically collected annually or even more often in certain cases, the frequent analyses of correlated data sets are expected to increase CIM utilization as compared to conducting only ILI analyses.
- The addition of this functionality serves as a foundational model to incorporate additional data sets and methodologies to expand DA functions and advance the evolution of a pipe-centric database which we anticipate will foster increased use of CIM by more users, thereby addressing additional potential TAMs as described in the O&G TAM chart.
- New functionality added to the CIM platform is ideally suited to leverage the economic consumption business model, thereby providing an opportunity to increase revenue growth from both existing and new customers.

We intend to enhance and evolve our solutions in accordance with our technology and product roadmaps which are based on deep domain expertise regarding pipeline data management, continued incorporation of applicable components of Microsoft's cloud platform and services, and incorporation of subject matter experts', clients' and prospective clients' input and feedback regarding product features and functionality required to optimize management of pipeline assets.

ONEBRIDGE INNOVATION LAB & TECHNOLOGY ROADMAP

During 2020 the Company, through its Innovation Lab ("**Lab**") established in Q1, conducted considerable research, including exploration with more than one hundred third parties, to investigate leveraging the Company's technology to enter new markets and create new revenue opportunities. Based on this research, Management is optimistic the Company could pursue various new oil and gas ("**O&G**") niche market opportunities and potentially also adapt our CIM platform for use in the water and waste water ("**W&W**") industry in the future. These new markets collectively represent significant addressable markets and revenue opportunities.

The logos slide and graphic illustrate the wide assortment of companies and interdependence of technologies involved in integrity management of pipeline assets. Data is collected by various ILI tools, sensors and processes including cathodic protection ("**CP**"), chemical and other mitigation technologies for O&G gathering, transmission and facility pipelines. The CIM SaaS platform was designed to aggregate, align, correlate and analyze big data from multiple technologies used for integrity management today, which is different from the current industry practice of keeping disparate data siloed and unconnected. Alignment and correlation of data from different sources provides opportunity to apply data science, machine learning, and predictive analytics, using Microsoft's cloud computing platform, to optimize and improve management's integrity management practices.



THE CIM TECHNOLOGY ADVANTAGE

In Fiscal 2020, the Company made significant strides in technology advancements, commensurate with its strategy to increase its competitive moat following the Company's capital raise in 2019 to fund accelerated research and development. Several Production Trials conducted in Fiscal 2020 served to further validate the CIM platform as being highly valuable for pipeline operators.

To understand the CIM-advantage, it is first necessary to understand how the CIM platform differs from conventional technologies used by the industry today. The fundamental difference is the CIM platform was developed from the

outset as a born-in-the-cloud solution that leverages Microsoft's Azure cloud computing, essentially a super computing platform that supports data science and machine learning for big data, which legacy solutions that evolved from on-premise software simply cannot replicate. The power of Azure cloud computing enabled OneSoft to develop machine learning algorithms that automatically ingest, analyze and match 100% of the integrity management data collected by ILI devices. With super cloud computing power, CIM automates this full data analysis in minutes to hours whereas current industry processes, which require extensive human manual effort and months of time, typically analyze only a small fraction (typically less than 5%) of the available data, primarily using Microsoft Excel.

Why 100% Pit-to-Pit Anomaly Alignment Using Machine Learning Is Innovative

The CIM advantage allows complete pit-to-pit matching of all anomalies and correlation to the historic ILI data sets that have ever been collected for a pipeline. This differs from currently used integrity management processes wherein only the current and the immediately prior ILI data sets for the pipeline segment are typically analyzed. Our machine learning algorithms allow integrity engineers to drag and drop Excel files from any ILI tool vendor onto CIM, which then automatically ingests and aligns each of the usual tens or hundreds of thousands of anomalies resident in ILI datasets.

ILI tool technology does not always accurately call the locations of anomalies on the pipe, due to ILI tool errors which report locations of the features with inconsistent linear and offset errors. The same ILI tool re-run on the same section of pipe will likely deliver slightly different calls run over run, including a particular feature's exact downstream position from the tool launch valve (e.g., this variance might be caused by slippage of the tool's odometer wheel), clock position on the pipe (e.g., the same feature could be clocked at 2 o'clock on one run and 4 o'clock on the second run, due to slight "rocking" differentials of the ILI tool between the two runs) and/or depth of wall loss, due to either of the tool runs over- or under-calling the depth of an anomaly. The effect of these errors is compounded when more than two ILI data sets are compared, thus presenting a formidable task for humans, and considerable time and effort, to sort out the exponential factors involved in correlating data from more than two ILI data sets. For these reasons, current convention is to only compare two data runs and to consider only a fraction of the data.

The CIM platform is differentiated from current industry methodologies in that the Company has developed proprietary algorithms using cloud computing power and machine learning which, to Management's knowledge and belief, have not been replicated elsewhere in the world. One of these algorithms can match and align 100% of the features reported by ILI tools and, by correcting for the linear and offset errors, enable each individual feature to be analyzed over years and grown to future simulated failure points, based on anomaly histories and other associated factors. A second proprietary algorithm, using a Bayesian classifier, automates the ingestion of vendor data, including ILI data from every tool vendor and data structure that is typically used on a global basis. Human effort was initially required to train the ingestion algorithm, however, the algorithm is now self-learning with more than 5,000 ILI datasets and 60 million features having now been ingested and analyzed. The Company has essentially created the industry's first data taxonomy for previously disparate ILI tool data that has been collected over decades, which allows operators to utilize all their historic data regardless of the multiple different ILI tool and vintage data structures that were used in the past decades to initially collect that data.

The CIM approach represents a significant innovative technology leap and delivers numerous advantages over the legacy processes currently used in the industry. One advantage is that each anomaly in the most current ILI data set can be traced back to when it first appeared on any ILI run (which could have been decades in the past) and can be accurately aligned with prior runs. Using this historic information, the rate of growth of each anomaly is known with accuracy over time, which enables CIM to calculate a predicted failure point for each anomaly. And because the probable failure point of each anomaly can be modeled in CIM, better management (i.e., data driven) decisions can be made. For example, in a currently scheduled excavation/repair, it might be more efficient and less costly to include adjacent anomalies which are projected to require future mitigation, because only a short distance of additional excavation is required, rather than re-excavating the area at a later time. Because anomalies can be aggregated and classified as to when future mitigation will be required, operators can decide whether to replace sections of pipeline rather than repair them individually in the future, based on projected cost calculations of the different alternatives. The full intelligence that CIM provides, essentially on a centimeter-by-centimeter basis, is invaluable information that pipeline operators can use for better long-range planning and asset management.

Another significant advantage of pit-to-pit alignment of anomalies over multiple historic ILI runs is that an individual over-called or under-called wall loss anomaly is better able to be interpreted within the context of that anomaly's entire history, rather than just between the last two data sets. For example, if an anomaly is under-called (e.g., at 5% wall loss) or even missed altogether in a prior ILI run and then called at 40% wall loss in the current run, this will likely be interpreted as an unusually fast area of corrosion growth and instigate an excavation inspection and repair effort. If, on the other hand, multiple historic data sets are included in the analysis, the under-called or over-called or un-called (missed completely) anomaly can be recognized as a tool error call when considered in the context of all the data that has been gathered.

The advantages and speed of complete 100% pit-to-pit matching using cloud computing and machine learning cannot be replicated using the industry's current human, manual Excel-based processes.

Case Studies – Comparing CIM to Industry Current Systems for Pit-to-Pit Anomaly Alignment and Pipeline Threat Analyses

Research conducted by the Company in Fiscal 2020 included detailed analyses of the technology and processes used by some of the leading industry vendors for pit-to-pit anomaly alignment. While current leading industry vendors we researched who provide ILI data evaluation by conducting ILI run comparisons ("**RunComs**" or "fitness for service" analyses) do in fact perform limited pit-to-pit anomaly alignment, their process and results are significantly different from the CIM approach. These vendors perform pit-to-pit matching on only a small number (typically 40 to 60) of candidate anomalies, then apply a hybrid growth rate as a fixed rate to the rest of the observed anomalies on the pipeline. By comparison, CIM conducts pit-to-pit matching on every anomaly while incorporating multiple historic ILI datasets, applies actual growth rates to each individual anomaly, and provides this analysis in minutes to hours rather than weeks to months at prices that are far less costly for operators.

During Fiscal 2020 several enlightening case studies were conducted through CIM Production Trials with industry experts and pipeline operators, wherein results using conventional industry and CIM technologies were compared. A selection of these case studies was subsequently presented to a global industry audience at the Virtual Research Exchange 2021 ("**VREX2021**") online conference on March 2, 2021, sponsored by the Pipeline Research Council International ("**PRCI**") organization.

Case Study 1

Pipeline integrity operations have two primary functions – to prevent loss of containment and to optimize economics. To compute the future spend of industry-standard best practices, three different predictive analytics methodologies, including CIM and the industry's commonly used fixed "6 millimeter" ("**6 mill**") and half-life" methodologies, were applied to the same pipeline system. The 6 millimeter and half-life methodologies tend to under-estimate the "outlier" short-term, and over-estimate the long-term threats. In one case, CIM detected a fast-growing threat due to rapidly deteriorating pipe coating damaged by a suspected lightning strike. This anomaly would be missed using the 6 millimeter and half-life methodologies, even though by design, they are conservative methodologies for prediction of future failures.

The study explored the efficacy of each methodology to determine which model most accurately predicts and optimizes the assessment and dig schedule for the pipeline system from both operational and financial perspectives. The chart below illustrates how CIM's 100% pit-to-pit growth analysis (left-most columns), using machine learning, data science and correlation of all available ILI data, enables integrity engineers to maximize intelligence about the pipeline. The middle and right columns show the number of predicted excavations and using the fixed "6 mill" and "half-life" methodologies, which are less accurate and necessarily conservative in absence of the centimeter-by-centimeter data and analysis that CIM provides. This greatly increases potential maintenance costs due to unnecessary excavations and/or frequent re-running of ILI tools. Projected 10-year dig program costs in the chart below are estimated at $30,000 for each repair. The difference in predicted future repairs are dramatic – CIM predicts 1,618 fewer digs and $48,540,000 less cost than the 6-millimeter growth rate, and 276 fewer digs and $8,280,000 less cost than the half-life growth rate.

AID_NAME	JD Test Growth		JD Test Growth 6mil		JD Test Growth Half-Life	
Projected Repair Year	No. of Digs	Dig Program Cost	No. of Digs	Dig Program Cost	No. of Digs	Dig Program Cost
2020	7	$210,000	53	$1,590,000	11	$330,000
2025	15	$450,000	165	$4,950,000	28	$840,000
2030	37	$1,110,000	436	$13,080,000	65	$1,950,000
2035	67	$2,010,000	1366	$40,980,000	114	$3,420,000
2040	89	$2,670,000	1	$30,000	166	$4,980,000
2045	189	$5,670,000	1	$30,000	296	$8,880,000
Total	**404**	**$12,120,000**	**2022**	**$60,660,000**	**680**	**$20,400,000**

Case Study 2

This study profiled a 30-year-old pipeline routed through areas wherein repair excavations are very costly. As per the following chart, decisions driven by 100% pit-to-pit analysis again greatly reduced the incidence of unproductive digs and associated maintenance costs (i.e., upon excavation and inspection the anticipated repair was not required). In this situation, the ILI vendor's RunCom recommended an ILI tool re-run every 3 years (which would result in additional estimated costs of $1.5 million), essentially limiting maintenance and associated cost forecasts to 3 years. CIM can

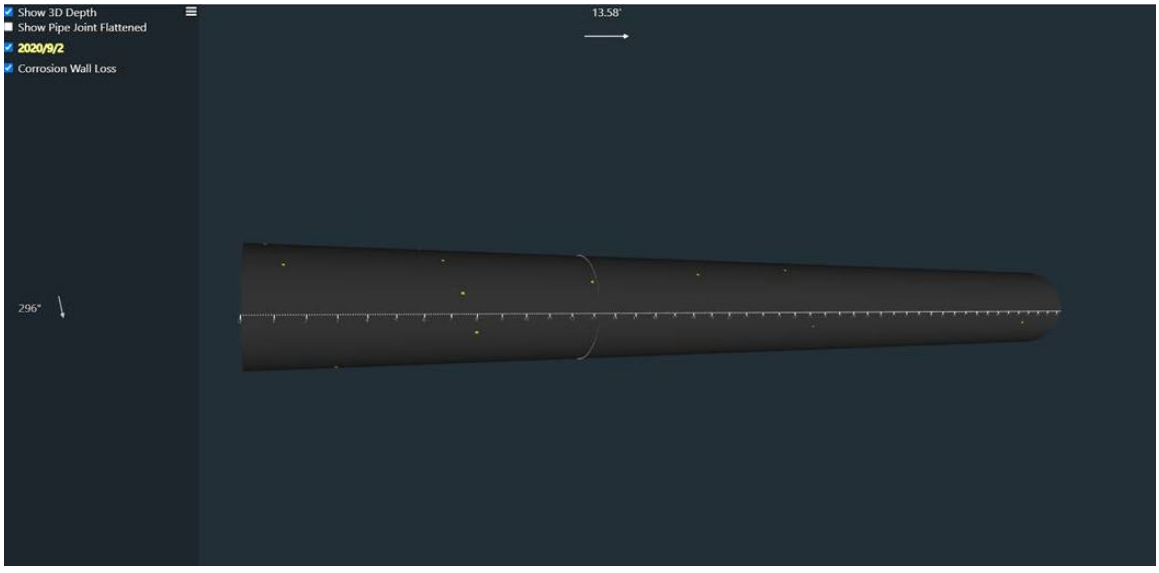
provide such maintenance and associated cost forecasts well beyond the ILI vendor's forecast, often 10 or more years into the future. Modelling every anomaly versus a limited candidate subset of anomalies, CIM can better predict future threats without the requirement to perform more frequent ILI tool runs. The ability to analyze 100% of the anomalies provides the operator with the clear benefit of early implementation of measures to manage and control the threats. Essentially, CIM enables operators to prevent loss of containment at lower costs.

		3 years		5 years		10 Years	
		CIM	Existing Calculation	CIM	Existing Calculation	CIM	Existing Calculation
# of Digs		**4**	**5**	**6**	**26**	**12**	**3482**
Threat type	1	4	3	5	6	6	207
	2	0	1	0	4	2	551
	3	0	1	1	16	4	2724

Case Study 3

This study demonstrates the power of CIM, based on a post-construction initial ILI run (i.e., a single run), to create a 3-D visualization that empowered the integrity engineer to identify a condition that was contained within the ILI vendor's report, but unrecognized as a serious condition. CIM surfaced an issue that was related to the construction process and likely would not have become actionable until well beyond the lapsing of liability of the parties involved in the construction of the pipeline. In this case, CIM displayed in pipe view the low-level corrosion in a spiral pattern that unmistakably corresponded to the spiral welds of the pipe. The significance is that neither the operator nor the ILI vendor were able to identify these anomalies as a threat or a construction deficiency, as the low-level anomaly data that was considered as inconsequential. Legacy industry processes, typically require multiple ILI datasets to identify threats, while CIM was able to surface and contextualize threats from a single ILI dataset in this case, as shown in the following screenshot.

The benefit for the pipeline owner in this case is to have early knowledge of this threat issue, and potentially an opportunity to seek some sort of warranty relief that might be attributed to the construction process or materials defects. The benefit for the industry is that algorithms designed around this particular pattern recognition can now be shared amongst all CIM users, without sharing confidential data.



Management believes that the increase in CIM use and diversity of Production Trials completed in Fiscal 2020 by clients, prospective clients and certain industry experts has further validated the Company's technology and solutions and has provided more irrefutable data that assists to quantify the high value proposition of replacing legacy systems with the CIM platform. It is also notable that this messaging is becoming better understood by the industry on a global basis.

ANALYSIS OF POTENTIAL MARKETS FOR CIM

Cautionary Note: Readers are cautioned that Management's assumptions regarding Total Addressable Markets ("TAMs") estimates as presented herein represent 100% of the potential spend in various industry segments and are not presented as any forecast or prediction of future revenues for the Company. Readers are urged to conduct their own research and formulate their own assessments in this regard and are further cautioned that the figures provided herein are estimates of TAM that will be presumably shared in aggregate by all software providers who choose to address these markets.

Management believes that "first mover advantage" in developing innovative solutions is an important and key differentiator that may ultimately determine which new *de facto* standard solution will lead in market adoption success. To understand current industry spend and to estimate TAMs, Management has relied upon various sources of information, including information gleaned from investigations regarding more than one hundred third-party organizations and other anecdotal information gleaned from the Company's clients, prospective clients and certain other industry experts and participants. This research has assisted the Company to frame its short- and longer-term growth strategies by considering and balancing project work efforts required to serve client needs and prioritize future R&D initiatives, while considering potential revenue growth opportunities.

Assumptions:

- Of the 2.7 million miles of O&G pipelines in the U.S.A., approximately 660,000 miles are "piggable" (i.e., assessable using pipeline inspection gauges ("**PIGs**") to obtain ILI data) and 2 million miles are non-piggable, therefor must be assessed using a combination of Hydrostatic and Direct Assessment ("**DA**") technologies, including Cathodic Protection ("**CP**"), Internal Corrosion DA ("**ICDA**"), External Corrosion DA ("**ECDA**"), Ultrasonic Testing ("**UT**") Inspection, Close Interval Survey ("**CIS**"), Alternating Current Voltage Gradient ("**ACVG**") and Direct Current Voltage Gradient ("**DCVG**").

- Maintaining pipelines is a costly matter. The American Petroleum Institute ("API") and Association of Oil Pipe Lines' ("AOPL") published a report entitled "API-AOPL Annual Liquids Pipeline Safety Excellence Performance Report & Strategic Plan 2016" which stated that a group of energy companies spent more than $1.6 billion evaluating, inspecting and maintaining 207,800 miles of liquids pipeline during 2014, which equates to an average expenditure of $7,700 per mile of pipe. Information gleaned from some of the Company's clients is consistent with these figures as reported.

- Estimate of industry spend in the U.S.A. is compiled from disclosures by the regulator, the Pipeline and Hazardous Materials Safety Administration ("**PHMSA**"), the Association of Oil Pipe Lines ("**AOPL**") and various other sources. Based on the API-AOPL Annual Liquids Pipeline Safety Excellence Performance Report and Strategic Plan, 2016 report, USD $1.6 billion was expended in 2014 for integrity management costs associated with liquid pipelines in the U.S.A., comprised of $0.136 billion for evaluation, $0.347 billion for inspection and $1.1 billion for maintenance. Based on our estimated ratio of 1:3 liquid to gas pipelines installed within the U.S.A. and by extrapolating these known market metrics we estimate that annual costs associated with integrity management for piggable pipelines in the U.S.A. exceeds $7.4 billion annually, comprised of $0.6 billion for evaluation, $1.6 billion for inspection and $5.2 billion for maintenance. Based on our estimate that the U.S.A. pipeline infrastructure comprises 62% of the global infrastructure we estimate that global aggregated costs associated with integrity management for piggable pipelines may exceed USD $11.9 billion annually, comprised of $1.0 billion for evaluation, $2.6 billion for inspection and $8.3 billion for maintenance. This report was updated in 2019, however, references to industry spend for evaluation, inspection and maintenance were omitted from the later report.

Regarding the chart below:

- Management believes that the first mover advantage of the Company's current CIM platform can be leveraged with additional software development to address the functionality components required by the O&G industry as stated in Column 1 of the table below. The Company is focused on accelerating further development of its technology and solutions including potentially through acquisition of third-party developed IP that can be integrated into the CIM platform, while considering "build versus buy" costs and time to market factors. Management further believes that the CIM technology developed to date provides the ideal foundation upon which to ingest, integrate, correlate and analyze the multiple different data sets and methodologies that are currently used to conduct integrity management of oil and gas pipelines and assets. TAM figures are stated in Canadian dollars.

- Column 2 ("Current CIM") describes the current state of progress of the technology components of the CIM platform as follows, sorted from largest to smallest estimated data management and analyses TAMs pertaining to each of the projects:

- ILI/Machine Learning functionality is mature.
- Risk functionality is Early stage at this point, with plans to advance in 2021.
- Internal corrosion direct assessment and chemical mitigation analyses are in Early and Potential stages, respectively. In this context, "Potential" means planned development, but not yet initiated.
- Initial versions of CP and Asset Management functionality are Early stage, currently in trial use as minimally viable products ("**MVP**") that were released to private preview users in September 2020.
- Mobile, Customer Experience, external corrosion direct assessment and acoustic functionality are all in Potential stages.
- Facilities is also being researched as a Potential market for CIM. The licensing model for Facilities would likely differ from other functionality in that SaaS fees will be based on a per Facility rather than per mile basis. One industry vendor that was researched claims a customer base of 850 Facilities over 5 continents with aggregate asset value exceeding $550 billion.

Project timelines for the functionality module development are not being forecast at this point, as these will be dependent upon input from subject matter experts, private preview users, prioritization preferences of clients and prospective clients and other factors.

- Column 3 ("USA Mileage") shows pipeline mileage metrics for the U.S. (2019 data), as reported by the U.S. regulator, the Pipeline and Hazardous Materials Safety Administration ("**PHMSA**"), the Association of Oil Pipe Lines ("**AOPL**") and various other sources.
- Column 4 ("Rate") is Management's estimate of the potential revenue per mile for data aggregation, management and analyses that might be charged to clients for that functionality. Management's estimates in this regard are based on multiple sources of information, considering current industry spend in the various areas and information gleaned from discussions with numerous industry experts, clients, prospective clients and other industry vendors. Rate is the estimated 5-year average, with the assumption that early software versions may generate less revenue than later, more comprehensive versions as more functionality is included.
- Column 5 ("TAM USA") is an extension of mileage multiplied by estimated rate, to calculate an estimate for the U.S. TAM.
- Column 6 ("TAM ROW") extrapolates the U.S. TAMs to estimate TAMs for the Rest of World (excluding U.S.), based on the assumption that the U.S. contains approximately 60% of the world's oil and gas pipeline infrastructure.
- Column 7 ("TAM Global") represents the global total estimated TAMs, including U.S. figures.

Note: The below table is stated in Canadian dollars

Oil & Gas - Estimated TAM USA & Global						
Column 1	*Column 2*	*Column 3*	*Column 4*	*Column 5*	*Column 6*	*Column 7*
			Est US % of Global Infrastructure		*60%*	
	Current CIM	**USA Mileage**	**Rate**	**TAM USA**	**TAM ROW**	**TAM Global**
ILI/ML	Developed	660,000	$ 100	$ 66,000,000	$ 44,000,000	$ 110,000,000
Risk	Early	1,863,450	$ 25	$ 46,586,239	$ 31,057,492	$ 77,643,731
ICDA/Chem	Early/Potential	612,000	$ 75	$ 45,900,000	$ 30,600,000	$ 76,500,000
CP	Early	1,011,981	$ 25	$ 25,299,515	$ 16,866,343	$ 42,165,858
Asset Mgmt	Early	1,863,450	$ 10	$ 18,634,495	$ 12,422,997	$ 31,057,492
Mobile	Potential	1,863,450	$ 10	$ 18,634,495	$ 12,422,997	$ 31,057,492
Cust Exp	Potential	1,318,648	$ 5	$ 6,593,238	$ 4,395,492	$ 10,988,730
ECDA	Potential	2,476	$ 1,000	$ 2,476,362	$ 1,650,908	$ 4,127,270
Acoustics	Potential	224,724	$ 10	$ 2,247,239	$ 1,498,159	$ 3,745,399
Facilities*	Potential	500	$ 50,000	$ 25,000,000	$ 16,666,667	$ 41,666,667
				$ 257,371,583	**$ 171,581,056**	**$ 428,952,638**
*Facilities**	*includes, refineries, tankfarms, chemical and other downstream facilities*					

Potential Use of the CIM Platform for Water and Waste-Water Markets

Preliminary research conducted in the Company's Innovation Lab in Fiscal 2020 suggests that the CIM Platform and technology for O&G may be well suited for adaptation to the Water and Waste-Water ("**W&WW**") industry. While the industries operate by different economic drivers (i.e., profit based versus government service business models), they share common traits that the CIM platform can address (i.e., corroding pipelines in old and aging infrastructure that is costly to maintain). W&WW pipelines are generally older infrastructure than O&G, and arguably more critically important.

Key differences of the W&WW compared to the O&G industry include:

a. A wider range of pipeline materials, including ferrous, non-ferrous, plastic, wood and concrete is used in W&WW, necessitating that different data gathering tools are required;

b. Water pipeline failures, while costly, don't generally cause as much environmental damage as O&G failures do (e.g., floods and sinkholes are usually less impactful than oil contaminating waterways and oceans), therefore water pipelines are not as heavily regulated as O&G. Waste-Water is more closely monitored and regulated, because of its more damaging impact upon failure;

c. Because most W&WW facilities are typically provided by various government agencies, funding to update systems may present more of a challenge than within the O&G industry, which operates on a different profit-motivated business model; and,

d. The W&WW industry appears to be lagging compared to O&G, thus disruption with innovative technologies to legacy practices may be both more challenging and more opportunistic. Validation of innovative new solutions and sales cycles can be expected to be protracted, which may require a longer-term strategy to invest in and gain traction in this market.

These challenges also serve to provide opportunity for first mover advantage for the Company. The CIM platform is already strongly validated for O&G, which we believe can be leveraged for and transferred to the W&WW market. As the Company continues to evolve its technology for O&G, many of these advancements will also apply to W&WW, thus pursuit of both markets appears to be plausible and opportunistic.

Most of the integrity maintenance technology components listed in Column 1 of the above chart that are used in O&G are, or can be, leveraged for W&WW. During Fiscal 2020, the Innovation Lab identified ILI tools that run in water pipelines, which data sets were able to be ingested into CIM. Several ILI tool technologies exist today that work in ferrous and non-ferrous pipe and plastic pipe and it may be advantageous for the Company to apply predictive analytics for W&WW that could result in significant cost savings, which is a motivating factor for W&WW operators to accelerate adoption of the Company's technology and solutions.

Based on preliminary market research, North America and Western Europe appear to have approximately 3.9 million miles of municipal water pipelines, representing approximately 37% of the global infrastructure. Although the W&WW industry appears at this point to be a significant potential future opportunity for CIM, the reader is advised that more research and work needs to be done before the Company decides to pursue any of these markets, with further caution that the Company makes no representation that it will pursue these markets in the future.

Management intends to continue its research regarding W&WW, with a view to initially consider the U.S., Canadian and certain international regions where interest in exploring the CIM platform may exist. Initial steps will include conducting trial ILI runs and data analyses, which can be explored after Covid travel restrictions subside (anticipated to occur in H2 of Fiscal 2021) and continued exploration of joint venture or other working arrangements with third parties who already service the W&WW industry and who see benefit of incorporating CIM capability within their service offerings.

CIM SALES AND REVENUE GROWTH

History of On-boarding Early Adopter Clients

To understand potential future CIM adoption and sales, it is helpful to first review the evolution of CIM development and its adoption by clients to this point.

- Following OneBridge's participation in Microsoft's first Accelerator for Machine Learning and Data Science in the first half of 2016, we developed CIM as a prototype solution in Q3 of 2016. Phillips 66, a very progressive industry player, provided some ILI data to OneBridge to train CIM's algorithms. At that time Phillips 66 had developed and was using a comprehensive, Oracle-based, on-premise computing solution to address integrity management and regulatory compliance functions. Phillips 66 was somewhat unique in this respect, as most comparable operators (and most of our clients) had used only Excel spreadsheets, rather than databased computer software applications to assess data associated with pipeline integrity management. Phillips 66

wanted to explore the potential benefits of incorporating machine learning to improve their operational processes and decided to work with OneBridge as our first "beta" user of CIM. In late 2016, CIM detected threats that Phillips 66's internal system had not detected, so Phillips 66 excavated and inspected the anomalies detected by CIM that differed from their internally-generated "truth data". As the excavation and inspection confirmed that the CIM analysis was accurate as predicted, Phillips 66 provided data for 10,000 miles of their pipeline infrastructure and began commercial use of CIM, becoming OneBridge's initial "early adopter" customer.

- Phillip 66's commercial use marked the start of CIM revenue generation, commencing in January 2017. Initially, Phillips 66 used CIM in parallel with its internal software systems. By the end of 2017, Phillips 66 had a better understanding of the benefits of machine learning and incorporated CIM into its long-term strategy for integrity management processes. A multi-year SaaS agreement for CIM use was finalized in late 2017 and, as part of its digital transformation strategy, Phillips 66 subsequently decided to provide a copy of its internal Oracle software and associated intellectual property ("**IP**") to OneBridge, along with funding, to migrate Phillips 66's on-premise application to Microsoft's Azure cloud platform. Based on this new vision, two other pipeline operators agreed to join the 2018 development project as "private preview" users. OneBridge completed the cloud conversion of Phillips 66 IP and its integration with OneSoft's machine learning components in December 2018. One of the two private preview users also entered into a SaaS agreement in 2018 to use CIM, while the other private preview user delayed signing a SaaS agreement until 2019, pending the addition of new functionality that this operator required.

- Four more clients who had monitored the evolutionary progress of CIM and engaged in Proof of Concept ("POC") projects were added in 2019, including one of the industry Super-majors and a large Fortune 100 client operating more than 18,000 miles of pipeline infrastructure. All these clients were dependent upon Excel spreadsheets for their integrity management processes and had not embraced cloud computing. As CIM represented the first cloud application in 5 of our 6 clients, OneBridge was in the position of not only pioneering the adoption of CIM as a disruptive process to replace legacy systems and processes but also as an influencer of initial digital transformation processes for these clients.

Transition to On-board Mainstream Clients

- When we first introduced CIM to prospective customers in 2017, digital transformation concepts were in their infancy within the oil and gas pipeline industry, except for a few companies that had interest in investigating and participating in cutting-edge technology projects. Some of these companies became our private preview customers, motivated by various factors. Phillips 66 had already embraced new technologies, including having participated in a prior machine learning project that was discontinued prior to involvement with OneBridge in late 2016. Our next five clients were motivated to engage for other company-specific reasons, with internal projects driven by different groups within their operations. The integrity management business units of our next three clients drove the CIM POC trials, private preview participation and subsequent CIM adoption, promoting their experiences to senior management and C-suite personnel within their organizations. For two other clients, including the industry Super-major and 18,000-mile operator, decisions to engage with OneBridge were essentially driven by senior management and C-suite personnel, who wanted to explore digital transformation to improve upon legacy processes.

- The 18,000-mile client was particularly opportunistic, in that we had to develop tools and automated processes to on-board this client onto CIM. We can now use these tools and processes to automate onboarding for clients with little or no experience with integrity management software systems or cloud computing. Furthermore, this client had developed a comprehensive dig-management process that addressed logistics associated with their choice of PIG tools to be used, job and crew scheduling, and collection and cataloguing of inspection data following excavations and repairs. This new functionality set was developed and added to the CIM platform during Fiscal 2019, concurrently while this client and their extensive data sets were being loaded in CIM and new tools to automate on-boarding were being developed. Although on-boarding for this client required approximately 7 months, we believe that similar clients can now be on-boarded much more rapidly, due to the automation procedures that were developed while working with this client.

Evolution of Sales and Marketing Strategies

The factors discussed in the prior section have impacted our sales processes which have historically varied from less than one year to more than three years. Although it is very beneficial for prospective clients to adopt CIM, given its advantages we believe exist over legacy systems and processes, we also understand that industry players are cautious and undertake extensive investigation and validation efforts before changing processes that have been used for decades. Our experience is not unlike that of others who are introducing disruptive new technologies.

In compiling our go-forward business plans and budgets, we now have more data and knowledge based on historic experience involving our current clients to make better assumptions regarding a multitude of factors we expect to encounter as we grow our business in Fiscal 2021 and beyond, including the following:

- We anticipate that we will continue to work closely and collaboratively with Microsoft cloud sales teams and integrity management, IT and senior management teams of prospective clients to continue establishing POC projects as a necessary precursor in most cases prior to signing long term SaaS agreements, until CIM becomes more accepted within the industry as the machine learning solution "standard".

- Consistent with history, we recognize that some of the POCs that will successfully conclude (i.e., we are able to demonstrate the high value proposition of CIM) may nonetheless result in cessation of the sales process, for various time frames and reasons. Topping this list is the fact that adoption of our CIM platform requires highly disruptive changes to processes that operators have used for decades, and operators are reluctant to make such changes until they are ready to embark upon such disruption, irrespective of potential risk/reward benefits. For example, some operators may require time to prepare to reorganize budgets and priorities that may be impacted because of unknown pipeline integrity threats that CIM might uncover. In most cases, the decision to adopt CIM typically involves collaborative investigation and buy-in of multiple departments within an organization, including the integrity management business unit and personnel from IT, legal, accounting, procurement, senior management and C-suite groups. Not surprisingly, coordination for meetings, investigation and decision making that must occur collaboratively amongst these groups takes time, particularly within large organizations.

- One prevalent factor that continues to impact CIM adoption is that integrity management teams are generally heavily consumed with day to day activities that take priority over investigation of new systems like CIM. It is not uncommon for POC projects to be postponed because integrity personnel are frequently called away to deal with higher priority situations or surprise regulatory audits, which typically require weeks of time for preparation and completion. In the case of one of our clients, the sales process was stopped for nearly a year prior to the client re-engaging and subsequently adopting CIM. The reality of the situation is that many of our prospective clients have insufficient time to complete their required tasks and concurrently allocate time and resources necessary to investigate CIM on a timetable that we would prefer. Regardless, we must remain patient and persistent and have high confidence that our sales process will ultimately result in signing new clients.

- We also recognize and understand that our experience with our early adopter clients is somewhat different from what we expect to encounter with future early and late majority customers[(2)] that now comprise our sales pipeline. This group of prospective customers are, by definition, more reluctant to embrace change and new technologies than early adopters, until they become wholly mainstream for the industry.

[(2)] (reference Technology Adoption Curve section on page 4 of our MD&A published January 23, 2019)

Based on what we have learned to date, we have pivoted our sales approach and processes as follows:

- We are working closely with Microsoft to identify and focus on companies that have initiated plans to pursue digital transformation within their organization. These initiatives are typically driven from the senior and C-suite management levels, who also are in the best position to understand the overall value proposition that use of the CIM platform can bring to the organization.

- We now attempt to commence the sales process at the senior management level rather than at the integrity management business unit, with the expectation that the sales process will have a better chance of success if driven downward from senior management rather than upward from the integrity management business unit.

  Whereas our historical CIM pricing to date (which has equated to approximately $100 per mile of data ingested) is inconsequential relative to the costs of pipeline maintenance, it is important to note that our pricing strategy considered two other important factors that were necessary to launch our disruptive solution. Firstly, low pricing encouraged early adoption of our solutions by high profile clients, and secondly on-boarding these early clients provided access to the large data sets we required to train and evolve our proprietary algorithms and learnings, which would otherwise have been very difficult or impossible to source and aggregate.

  Our CIM platform is the industry's first (and only as far as we are aware) commercial SaaS application based on machine learning and data science to operate on Microsoft's cloud platform. We believe this first mover advantage positions CIM to entrench as the new-technology machine learning industry standard and, accordingly, become one of the fundamental pillars upon which oil and gas pipeline operators begin to pursue their digital transformation processes. We anticipate that these factors and the new functionality modules

that will be developed in the future will justify increasing our pricing in the future, without market objection or pushback.

Consider the following excerpt from the white paper on Digital Transformation Initiative, Oil and Gas Industry, published by the World Economic Forum, in collaboration with Accenture, which provides an encouraging outlook for digital transformation technologies like OneSoft's Cognitive Integrity Management™ platform, currently targeted at the midstream market.

> *Digital transformation in the Oil and Gas industry could unlock approximately $1.6 trillion of value for the industry, its customers and wider society. – This total estimated value from digitalization can further increase to $2.5 trillion if existing organizational/ operational constraints are relaxed, and the impact of "futuristic" technologies, such as cognitive computing, is considered (for which there is insufficient evidence to make a definitive value assessment at this time). – Digitalization has the potential to create around $1 trillion of value for Oil and Gas firms.*
>
> *Digitalization has the potential to create around $1 trillion of value for Oil and Gas firms. Of that amount, $580-$600 billion is expected to accrue to upstream companies, approximately $100 billion to midstream firms and $260-$275 billion to downstream companies.*

To summarize this point, we believe our CIM platform can play a key role as our clients progress through their digital transformation strategies and thereby unlock operational and financial efficiencies that are not currently attainable with legacy technologies, and that we will be able to implement pricing strategies more closely aligned with the overall value that our CIM platform contributes.

- The Repair Fraction white paper that we presented at PPIM was the first of several studies that we intend to publish that relate to the high value of data-driven decisions for the industry. As these studies are completed and validated by our data and clients' experiences, we incorporate those value metrics into our sales messaging. We believe that financial value metrics that are largely unknown today, once proven through sufficient data analysis, will become effective motivators to drive CIM sales decisions and endorsed by senior management and C-suite teams who are constantly seeking ways to improve efficiencies and financial results.

- The Pipeline and Hazardous Materials Safety Administration ("**PHMSA**"), the USA pipeline industry regulator, published a new compliance rule 2019-20458. This rule mandates two new key requirements for O&G pipeline operators that we believe will be beneficial to the Company's future opportunities. Firstly, all O&G pipeline operators will need to collect, interpret and manage more data, which we believe our CIM platform is well-poised to address for clients. Operators will need to demonstrate their capability to integrate data and justify business decisions based on such data integrations. Secondly, certain gathering pipeline infrastructure that was previously exempt from certain operating requirements will be required to comply with certain new PHMSA regulations when the rule takes effect, similar to what our current (mid-stream) clients are addressing with CIM. We believe these new compliance requirements will motivate certain potential customers to accelerate their transition to new technology platforms like CIM to address digital transformation initiatives.

- To alleviate the shortage of resources typically experienced by our prospective customers to investigate and on-board CIM, we have also pivoted our process to reduce the work-load they would need to undertake to conduct POCs, including loading of sample data and set-up for clients who decide to adopt CIM. Using our new on-boarding tools it is now possible to automate these processes, with reduced distraction to their integrity management personnel. We anticipate that our efforts in this regard will enable prospective customers and clients to experience CIM's value proposition more quickly and less stressfully and ultimately assist to shorten sales cycles.

- Implementing these new onboarding techniques enables OneBridge to load significantly more data for POC projects than were typically used in prior POC projects. The more data that is processed by CIM in evaluation POCs, the better information the prospective customers have to make buying decisions. We intend to pursue our "land and expand" strategy, wherein the objective is to put CIM to actual use within an operator as quickly as possible, even for only a small segment of their pipeline infrastructure. This might involve, for example, on-boarding CIM for a particular pipeline that may be problematic, or one that is undergoing a pipeline restoration project that has already been planned and budgeted. In some of these cases, the decision to implement CIM as part of this type of special project might bypass the usual corporate requirement to undertake the full CIM validation process that typically requires many months to work through. We believe this "land and expand" strategy can enable us to engage a new client in a shorter time frame, without first wading through the full CIM validation and adoption process by the customer that would otherwise take many months to complete.

Fiscal 2020 Marketing Activities

The Company appointed a Vice President of Sales in March of 2020, a 35 year industry veteran with extensive software sales expertise, to establish a sales organization focused on recurring revenue growth. He subsequently hired Sales Managers who are focusing on North American and LATAM sales.

A formalized process to scale global sales was developed to address all required activities, from initial lead generation through Production Trial management through finalization of commercial SaaS agreements. The Company adopted Microsoft Dynamics 365, which integrates customer relationship management with the Company's website activity data and Office 365. The system manages and tracks detailed milestones of the sales process and summarizes these through data-driven dashboards on a weekly cadence. During Q4 of Fiscal 2020, these efforts generated an average recruitment of 2.5 new Production Trials per month. The Company also engaged with CIM reseller partners to collaborate in sales projects with pipeline operators based in Canada, Australia and United Arab Emirates. Overall, sales efforts in Fiscal 2020 resulted in the addition of four new clients and numerous Production Trials were planned or commenced with potential clients in the U.S., Canada, LATAM, EMEA and Australia.

Marketing efforts during Fiscal 2020 served to increase interest by industry watchers and prospective customers, despite the pandemic-associated challenges that prevailed for most of the year. Several technical presentations and white papers were presented during the year, along with customer webinars that were co-presented with Microsoft and a client's personnel. The Company also developed a user guide video series for CIM, which is a valuable sales and training aid. Other marketing initiatives included documentation of CIM use case studies, which are now published on the Company's and reseller partners' websites. CIM technology was profiled in industry magazine articles, buttressed by online and publication advertising. Marketing initiatives served to increase the Company's website traffic by approximately 80% over the prior year and the launch of a bi-weekly blog cadence generated an increase of new blog visitors by 110% over the prior year.

New CIM Pricing Model

The Company introduced a "pay as you go" pricing ("PAYG") model in Fiscal 2020, in response to feedback from some prospective customers and reseller partners. The PAYG model authorizes CIM use through acceptance of a user agreement displayed on-screen when the customer initiates their use of CIM rather than a lengthy manually signed contract and is scalable for use for individual integrity management projects or for enterprise-wide use for all pipeline assets. Management believes the PAYG pricing model will be advantageous for certain prospective customers who prefer to ease into CIM use, for example to further validate CIM's capability beyond what they learn in Production Trial scenarios, and in some cases to assess certain CIM functionality for unique, problematic pipeline segments they may need to address.

The PAYG model provides pipeline operators the opportunity to engage their own engineers or contract third-party experts to conduct a scope of work around specific projects. Industry experts who contract such project work may use CIM to enhance their services by replacing manual efforts with automated CIM functionality, ultimately providing more efficient and cost-effective services for both the consultants and their customers.

The PAYG model also addresses two common scenarios that our sales teams continue to encounter. Firstly, the PAYG model enables immediate use of CIM while prospective SaaS subscription clients work through the adoption processes large companies typically navigate through to onboard new enterprise level solutions, which tend to be rather lengthy. Secondly, the PAYG model accommodates immediate use for specific ad hoc projects, without requirement to adopt CIM on an enterprise-wide basis (e.g., to conduct a rapid pre-purchase due diligence analysis prior to acquiring or selling pipeline assets).

Management believes that the PAYG model is beneficial for several reasons:

- Management anticipates that PAYG will assist to increase the rate of CIM adoption, particularly in international markets where CIM is not yet as well-known as it is in the U.S.A. and may require further validation.
- Management believes that PAYG CIM use is less onerous for companies to embrace and that as CIM use progresses, its value will become better understood and help to drive future long-term SaaS contracts for enterprise-level installations.
- The PAYG model supports the "Test, Learn, Scale" concept that may be a preferred by certain clients who are considering implementing a next-generation solution to replace their legacy systems. This model is also ideal for clients that have not yet established annual budgets for CIM use but want to start using the solution.
- Management expects to evolve PAYG to a self-service model to scale future sales, wherein interested purchasers will be able to run their own production trial with their own data to assess CIM capabilities and thereafter subscribe to CIM use for specific projects or continued use. We believe this will also accommodate needs of consultants who can use CIM analysis as part of their services offerings.

- Lastly, Management anticipates that the PAYG model will be ideal for CIM deployment for the W&WW industry, presuming this line of business is pursued in the future.

CORPORATE ACTIVITIES

- The Company continued to meet with and update shareholders and followers of the Company throughout Fiscal 2020, through attendance at various on-line investor conferences that replaced in-person meetings that were cancelled due to the pandemic. Meetings were also conducted with numerous Canadian and U.S. parties that have been following the Company, some of which have since become shareholders.

- On July 27, 2020 OneBridge Solutions Canada Inc., Tim Edward and Dwayne Kushniruk (collectively the "Plaintiffs") filed and served a Statement of Claim (the "Lawsuit") upon Darren Gerling, Jason Gerling, and Cylo Technologies Inc., (collectively the "Defendants"), as a result of multiple alleged breaches of the terms and conditions of a Software License Agreement ("SLA") entered into in October 2014, that governs the terms and conditions by which the Defendants can use certain intellectual property owned by the Company. The intellectual property and SLA were acquired in the July 2015 purchase of assets from Bridge Solutions Inc. (collectively the "Bridge IP"). Management believes it is prudent for the Company to continue to vigorously protect value for shareholders by protecting all of its intellectual property, including the Bridge IP and all legacy and current technologies, and related contractual rights. The Lawsuit is currently in process. A provision has not been made for future legal expenses nor for any potential benefit the Company may eventually realize from this action, as no estimate of award is probable.

- On September 25, 2020, the Company announced it had placed 112th on the 2020 Report on Business ranking of Canada's Top Growing Companies, having earned its spot with three-year revenue growth of 434%.

Corporate Activities Subsequent to Fiscal 2020 Year End

- On January 13, 2021 the Company announced closing of a CIM sale that completed as a result of sales efforts conducted in Fiscal 2020.

- On March 2, 2021 the Company co-presented a white paper at a PRCI conference attended by 1,350 registrants from 17 countries, along with an industry expert who is an employee of Worley/Advisian, the Australian-based reseller partner that is introducing CIM to its global client base as part of its offerings associated with high-value engineering and digital transformation services. Worley/Advisian, following their recent acquisition of Jacobs Engineering, is one of the largest international engineering firms that conducts business globally with oil and gas operators. The PRCI presentation involved several case studies of work performed by Worley/Advisian engineers, highlighting the high value proposition of using CIM over conventional industry systems and processes. This presentation has generated global interest which will be followed up by the Company and Worley/Advisian.

- On March 9, 2021 the Company announced the acquisition of IP that is being integrated into the CIM platform as a component of its risk compliance functionality. Transaction details are stated in the Fiscal 2020 audited consolidated Financial Statements available on sedar.com. The acquired IP includes algorithms and processes that leverage machine learning to perform data analytics associated with measuring the uncertainty of anomalies found through pipeline inspections. The analysis, often referred to as probability of exceedance ("**POE**"), supports the prioritization of on-going inspections and mitigations and aligns with regulatory requirements mandated by PHMSA 192 & 195 safety statutes for U.S. pipeline operations.

BUSINESS OUTLOOK FOR 2021

We are pleased with the progress being made to advance our technology, solutions and market presence and remain confident that the Company's competitive moat continues to increase. Based on certain research and business development initiatives conducted in Fiscal 2020, our belief that our unique CIM functionality has not been replicated elsewhere in the world is sustained, and that our born-in-the-cloud approach to develop software based on machine learning, data science and Microsoft cloud computing will continue to outpace industry vendors who attempt to update legacy systems. The research conducted in Fiscal 2020 with some of the industry's top experts provides compelling justification that supports the high value proposition of using CIM versus other vendor solutions. This knowledge is becoming known globally through technical publications and word of mouth referrals, which we believe will assist the Company to gain market traction.

Interest in our CIM solution continues to increase, with sales activities currently underway in the U.S.A., Canada, Australia, United Arab Emirates, Brazil, and Argentina. Numerous CIM Production Trials are planned or in various stages of completion, which we anticipate will result in completed sales in future periods. Various business development initiatives are also underway, with the objectives to recruit CIM resellers and identify new potential markets and revenue sources based on our CIM technology and platform.

Given the Company's strong balance sheet with $7.2 million of cash and equivalents, no debt, current cash burn rate, and anticipated revenue going forward, Management believes the Company is well-funded to execute current business plans as envisioned without requirement to raise additional capital.

COMPETITIVE CONDITIONS

We believe that OneSoft is clearly positioned as the technology leader for our markets today, and that we will be able to maintain this lead. We are not aware of any other machine learning solutions today that rival CIM's capabilities, nor are we aware of any potential competitors who are anywhere close to releasing a competing product. We intend to preserve our technological lead by continuing to implement our aggressive R&D strategy to develop synergistic functionality that integrates with our established cloud-based machine learning data platform, based on a SaaS business model that fosters recurring and repeatable revenue.

The antithesis of disadvantageous lengthy sales cycles and decision timetables that we have been facing to date is that clients are more likely to continue long term use once their decisions to adopt our solutions have been made. Long sales cycles aid our competitive moat, which we believe is likely to increase, for several reasons:

- We believe that future potential competitors who might embark on development of CIM type functionality will face formidable obstacles to catch up to and displace OneSoft solutions. Such competitors will first need to assemble data science development teams, establish collaborative technology and sales relationships with companies like Microsoft, expend millions of dollars to develop their solutions, identify and engage private preview software users, and then execute extensive product validation efforts, before their solutions will be embraced by clients. OneSoft has required more than three years to evolve CIM from a "vision" to an industry-validated solution, after we invested in and pioneered cloud computing fundamentals necessary to embark on CIM development, and we had a unique opportunity to garner significant benefits by participating in Microsoft's first Accelerator for machine learning and data science. Furthermore, we believe that the unusual opportunity to integrate Phillips 66 software IP into CIM has also served to catapult our technological lead, which we estimate has reduced development efforts to achieve current functionality by a further 3 years at minimum.

- We believe the enormity of replicating our technology and solutions precludes most current industry vendors who provide legacy competitive products from embarking on such an extensive project. Development costs would be very significant, and a probable timeline scenario of 5 years or more would likely be required to replicate OneSoft's IP as it exists today, from initial development to market validation by clients. Providing we continue to pursue cutting-edge R&D initiatives, it will be difficult for any new entrant to catch up to OneSoft and deliver superior solutions, because of our head start regarding the technology, client and business advancements we have achieved. Should a large competitor with significant resources be intent on competing with a machine learning solution, we believe it will likely be more advantageous for such a party to acquire our business, even at a premium price, rather than embark on such an extensive project that will take time to execute.

- Replacing legacy systems with new technology is very disruptive and clients will be reluctant to investigate and pursue changes unless future benefits and advantages are clearly evident and strongly warranted. This situation effectually thwarts new potential competitors from entering the marketplace, as OneSoft initially experienced. Being first to market with a machine learning cloud solution, buttressed by the market credibility and traction we have gained to date, has greatly increased our competitive moat and probability of retaining our clients for the foreseeable future. We anticipate that potential competitors will be frustrated in their attempts to displace our solutions, providing we continue our R&D efforts to remain at the technological forefront.

OneBridge also leverages, when feasible, Microsoft's presence when doing sales calls. We believe Microsoft provides additional credibility and particularly assurance of data safety and protection to pipeline companies who may have very significant concerns about maintaining the confidentiality of their pipeline data. Microsoft is motivated to collaborate with OneBridge to engage new customers, as adoption of OneBridge solutions drives consumption and revenue for Microsoft's cloud platform and services. We are not aware of any competitor who is as closely linked to Microsoft in this way, to derive the strategic benefits that a partner of this magnitude and capability provides.

INTANGIBLE PROPERTIES

CIM was developed by the Corporation and no royalties are due to other companies for use of the underlying software, with one exception. CIM uses, in part, the proprietary software of Phillips 66 Company and it is committed to pay minimum royalties of U.S. $2.25 million over a ten-year period ending December 20, 2027 based on the revenue earned from the components of CIM that uses elements of the Phillips 66 intellectual properties contained with it.

The Company has trademarked the phrase “Flow Forward” and the phrase “Cognitive Integrity Management” is also similarly protected having been placed on a secondary schedule of the Patent Office.

BUSINESS CYCLES

Pipeline failures are very expensive to remediate and damaging to pipeline operators’ reputation and therefore pipeline operators are highly motivated to avoid them. Pipelines are in use continuously all year generating corrosion and other threats which must be continually addressed. Additionally, industry regulation stipulates the frequency of when pipelines must be pigged and timing of the analysis of data for the existence of threatening conditions which could lead to failure. The Company’s products are used by pipeline companies to identify anomalies in their pipelines, predict potential failures, optimize refurbishment schedules and to assist complying with rigorous pipeline operating standards for which non-compliance is financially punitive. The Company believes the utility of its software in all these matters will encourage clients to use the software continually all year it has been adopted and to pay regular monthly payments. Given this, the Company believes it products will result in revenue generation that is neither cyclical nor seasonal.

CHANGES TO CONTRACTS

As at the date of this document, certain clients were using CIM after having signed long-term commercial contracts. Several customers have signed production trial contracts which may convert to long term commercial contracts after the production trial has completed. The discontinuance of these relationships would affect the Corporation’s planned revenue generation; however, our sales and marketing teams are actively promoting the use of the CIM solutions and other parties have expressed interest in adopting these products for their use.

ENVIRONMENTAL PROTECTION

There are no environmental protection regulations which would affect the normal day to day operation of the Company. Externally, the Company’s clients must continually take affirmative action to comply with ever increasing pipeline regulations designed to protect people and the environment and to maintain their pipeline assets to prevent failures, which could be affected by environmental change. In this regard, the Company is a benefactor from environmental change and increasingly strict regulations designed to enhance protection of the environment.

EMPLOYEES

As at December 31, 2020, the Company employed 27 people. The Company also employs additional staff through a subcontractor arrangement it has with an offshore software development firm.

RISKS AND UNCERTAINTIES

OneSoft is subject to business and economic risks including:

Covid-19 World Pandemic

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

Decline in World Energy Prices

The decline in energy prices that occurred in early 2020 have negatively impacted the Company’s current and prospective clients, many of which have experienced significant decreases in their market capitalizations. Although the Company’s current and prospective clients are primarily midstream pipeline operators whose revenue is not necessarily dependent on energy prices, they may choose to respond to the economic challenges by reducing operating expenses

through requests for price reductions from suppliers and curtailment or postponement of new technology adoption, including the Company's solutions and services. This may cause challenges for the Company to grow its number of clients or sustain its revenues, which risks could increase if the clients do not have confidence energy prices will recover or stay recovered.

The Company's products are new and different from current industry solutions and may not gain enough acceptance

Machine learning, predictive analytics and other data science applications are relatively new technologies which the Company believes can be used to improve the safety of oil and gas pipelines. While the Company believes that such applications may potentially render very favourable results, there can be no assurance that such applications will be successful, or that the Company's potential customers will adopt these new technologies, products and/or practices. Failure of potential customers to adopt these new technologies and products could materially reduce the Company's potential revenue.

Demand for the Company's products is unknown as potential customers may choose to continue to use legacy solutions or alternative technology/solutions. Pipeline operators may currently be using technologies, processes and procedures which they may consider to be adequate to address the guidelines and regulations that govern the safe operation of oil and gas pipelines. While the Company believes the value proposition of its new cloud technology and products is compelling, there can be no assurance that potential customers will adopt the Company's products or be willing to change their current practices. Accordingly, the addressable market as estimated by the Company may not be captured as anticipated.

The introduction of new products or new technologies could render the Company's products and/or the Company's future products that are currently being planned or developed obsolete. The computer software industry, particularly regarding new machine learning, cloud and data science technologies, is undergoing rapid and constant change, and new technologies, equipment and processes are being introduced to the pipeline industry on a regular basis. The Company believes it must bring its products to market on a rapid timeline to ensure its software applications are not rendered obsolete or inferior by potentially more efficient and effective competitive products, or otherwise lose market opportunity because of superior products which may be developed and marketed by competing vendors. Such events could materially reduce or eliminate the total addressable market estimated by the Company.

The Company's pricing model is different from current industry practices and may not be accepted by the industry

There is no guarantee that the Company will be able to sell its products and services at the prices anticipated by the Company. There can be no assurance that our pricing models will be acceptable to and be embraced by our prospective customers. While the Company currently believes its fees and pricing structures are reasonable with respect to revenue assumptions, there can be no assurance that the Company's current pricing model will not need to be altered in the future, and that such potential changes may materially alter the Company's current estimate of the revenue it can earn from its addressable market. Additionally, new competitors could enter and compete in the Company's intended marketplace. Any or all these factors could materially alter the Company's current estimate of its total addressable market and the revenue it can generate from it.

Future planned functionality enhancements may not be feasibly marketable

Planned future enhancements to the Company's products may not be sufficiently compelling to potential customers, which could prevent the Company from attaining its planned future pricing structure and materially alter the Company's current estimate of its addressable market and related potential revenue.

The Company has disclosed its intention to develop its products and continue to improve CIM functionality and it is the Company's belief that customers will be willing to pay higher prices for this additional functionality. There can be no assurance that prospective customers will find such future functionality to be sufficiently compelling to warrant the higher pricing. Additionally, the Company may ultimately determine that it may be uneconomic to pursue subsequent development if the current version of the product is not purchased in enough numbers by customers. Any of these factors may cause the Company to not pursue the development and sales of its planned products, or not to continue to provide their availability, which could materially reduce the Company's current estimate of and generation of revenue.

The Company's reliance on the Microsoft cloud platform and services

Management believes that the Company currently has a degree of competitive advantage because it was an early adopter of Microsoft's cloud platform and services commencing in 2011, and it was a participant in Microsoft Venture's first Accelerator program for Machine Learning and Data Science involving big data in 2016. Microsoft is working collaboratively with the Company to assist with the introduction, marketing and sale of our products to selected enterprise level customers within the USA and other parts of the world. There can be no assurance that other software vendors will not develop competing products to the Company's that are also based on Microsoft's cloud platform and services, and/or on competing cloud technology platforms. Risks associated with the Company's reliance upon

Microsoft include Microsoft increasing its rates for its cloud platform and services that power the Company's products, which might render the Company's products uncompetitive because of high cost; and the possibility that Microsoft may elect to work with other software vendors so they can compete with the Company. Potential changes to Microsoft's current cloud platform and services pricing model could materially alter the Company's current estimate of and generation of future revenue.

Personnel and Key Employee risks

The Company is reliant on its ability to retain current personnel and attract future employees who have specialized knowledge and expertise pertaining to technology development, data sciences, sales, marketing and servicing of products for oil and gas pipeline customers. There can be no assurance that the Company will be able to replace current employees or hire new employees in the future who have the specialized knowledge that is required to advance our business. The Company's potential inability to replace current skillsets and expertise and/or expand our teams to accommodate growth in a timely manner could materially alter the Company's current estimate of market size and generation of revenue therefrom.

The Company has entered into employment agreements with its officers and other key employees. OneSoft's operational success depends strongly on the abilities and experience of its executive officers and key employees. Competition for highly skilled management, technical, research and development, and other key employees is significant in the software industry, and the loss of key employees could disrupt operations and impair the Company's ability to compete effectively. As part of our software offerings, we provide services that require highly specialized knowledge of the Microsoft Cloud, software training, end-user support, and the determination of best practices. There can be no assurance that the Company will retain its key personnel, or in the event of a key person leaving the Company, that a suitable replacement will be found in a timely manner.

Our business could be harmed if we fail to manage our growth effectively

Our growth will place a significant strain on our managerial, administrative, operational, financial and other resources. We intend to further expand our overall business, including headcount, with no assurance that our revenues will continue to grow. As we grow, we will be required to continue to improve our operational and financial controls and reporting procedures and we may not be able to do so effectively. As such, we may be unable to manage our expenses effectively in the future, which may negatively impact our gross profit or operating expenses. We are also subject to the risks of over-hiring and/or overcompensating our employees and over-expanding our operating infrastructure.

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

The Company's success and ability to compete may be enhanced by effective copyright, trade secret, and trademark law to protect its technology and the technology licensed to it by third parties; however, the Company may or may not be successful in being granted a patent or patents should it apply for them and effective trademark protection may not be available for the Company's intellectual property, trademarks or the trademarks licensed by it. The lack of a patent may make the Company's products vulnerable to being copied or infringed upon by a competitor and may negatively impact the ability of the Company to compete effectively in its addressable markets. If the Company is successfully awarded a patent or patents, it will be necessary to reveal certain details regarding the Company's technology and intellectual property secrets, which could introduce additional risks associated with competitors who may not respect patent protection rights or may otherwise not be bound by patent protection rights because of the geographic location they operate from. Any or all these factors could materially alter the Company's current estimate of its market and its generation of revenue therefrom and there can be no assurance that misappropriation of our technology, trade dress or agreements entered into for that purpose will be enforceable.

Better-capitalized companies could negatively impact OneSoft's financial results of operations

Other corporations with considerable financial resources may have the ability to encroach on our competitive position within our chosen marketplace or compete successfully with our products and services by providing better marketing, services or support for clients. They may introduce applications that compete with our products and services and their larger sales volumes may allow them to reduce prices to levels that are uneconomic to us. Any significant adverse effect on our revenue or cost structure may materially affect our financial position.

Investment in our current research and development efforts may not provide a sufficient, timely return

The development of new software products and strategies is a costly, complex and time-consuming process, and the investment in software product development often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in software development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating

results if they do not generate revenue increases. We believe that we must continue to dedicate significant resources to our development efforts in order to maintain our competitive position; however, significant revenue from new product and service investments may not be achieved for a prolonged period, if at all.

Current and future competitors could have a significant impact on our ability to generate future revenue and profits

The markets for our products are intensely competitive and are subject to rapid technological change and other pressures created by changes within our industry. We expect competition to increase and intensify in the future as additional companies enter our markets, including competitors who may offer similar solutions but provide them through different means. We may not be able to compete effectively with current competitors and potential entrants into our marketplace. We could experience diminished market share if our current or prospective competitors introduce new competitive products; add new functionality to existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our products and services, we might need to lower the prices we charge for the products we offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect our business and operating results.

We may become involved in legal matters that may materially adversely affect our business

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations or financial condition.

Cybersecurity risks may not be fully mitigated

The Company stores all its information, software applications, customer data and internal financial system on remote servers in the Microsoft Azure Cloud Platform. The Company provides customers access to the software applications housed on those remote servers using online ID and password systems. All computers are protected by antivirus software, multi-factor authentication, the use of personal IDs and passwords and other means to prevent unauthorized access. The Azure platform is continually tested by Microsoft and it is always in compliance with the very latest and highest level of computer industry security certifications and Microsoft provides guidance to its customers to allow them to adopt these same protections and comply with very high cyber security standards. The Company places a high reliance on those certifications to protect the data it stores on those servers. Despite those protections, the Company acknowledges it may be susceptible to a cybersecurity attack by determined activists which could potentially lead to the loss of sensitive data and the loss of customers and the related revenue they pay to the Company, and / or cause the Company to suffer remediation costs which could be very expensive or perhaps fatal to the Company. There can be no assurance that Company security policies would be effective to ward off all threats to its cybersecurity protections.

If our software contains serious errors or defects, we may lose revenue and market acceptance

Software such as ours may contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our platform may contain serious errors or defects, security vulnerabilities or software bugs that we may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, financial condition and results of operations.

Since our customers use our services for processes that are important to their businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in our platform could result in losses to our customers. Our customers may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, a customer could share information about bad experiences on social media, which could result in damage to our reputation and loss of future sales. There can be no assurance that provisions typically included in our agreements with our customers that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and despite insurance policies we carry to protect against such damaging costs, could seriously damage our reputation and brand, making it harder for us to sell our solutions.

FINANCIAL INSTRUMENTS

Categories of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	December 31, 2020	December 31, 2019
Financial assets	**$**	**$**
Cash and cash equivalents	7,223,241	6,965,916
Short-term investments at amortized cost	-	3,546,123
Trade and other receivables	195,259	52,949
	7,418,500	10,564,988
Financial Liabilities		
Accounts payable and accrued liabilities	838,959	767,647

Measurement of fair value

Due to their short-term nature, and liquidity of the Company's financial instruments, fair value approximates their carrying value.

Financial instrument risks

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates on an international basis and is subject to foreign exchange risk exposures arising from transactions denominated in foreign currencies. The Company's objective with respect to foreign exchange rate risk is to minimize the impact of the volatility related to financial assets and liabilities denominated in a foreign currency through effective cash flow management. The majority of the Company's revenue, and a large portion of its expenses, are transacted in US dollars.

The Company has a natural hedge to foreign exchange risk as the majority of its revenue and a large portion of its expenses are being transacted in foreign currency and the uncertainty of timing between collections and disbursements is managed by its ability to maintain cash balances in the currency and country of the Company's choice.

The Company had the following monetary assets and liabilities denominated in US dollars included in its financial statements.

	December 31, 2020	December 31, 2019
	$ (USD)	**$ (USD)**
Cash and cash equivalents	1,537,186	804,412
Trade and other receivables	17,603	30,967
Accounts payable and accrued liabilities	(251,790)	(165,421)
Total exposure	1,302,999	669,958

The following illustrates the sensitivity of profit and equity regarding the Company's financial assets and financial liabilities and the USD/CDN exchange rate.

It assumes a +/- 10% change of the $/USD exchange rate for the year ended December 31, 2020 (year ended December 31, 2019 - 10%). This percentage was determined based on the average market volatility in the exchange rate in each reporting period. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and considers forward exchange contracts that offset effects from changes in currency exchange rates.

Strengthening or weakening of the Canadian dollar against the USD by 10% (December 31, 2019 - 10%) would have had the following applicable positive or negative impact on net (loss) income:

	Profit	Equity
	$	$
December 31, 2020	29,171	29,171
December 31, 2019	8,115	8,115

Exposures to foreign exchange rates vary during the year depending on the volume of international transactions. The analysis above is considered to be representative of the Company's exposure to currency risk.

Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's objective in managing interest rate risk is to monitor expected volatility in interest rates while also minimizing the Company's financing expense levels. Interest rate risk arises from fluctuations in interest rates and the related impact on the return earned on cash and cash equivalents. On an ongoing basis, management monitors changes in short term interest rates and considers longer term forecasts to assess the potential cash flow impact to the Company. The Company holds financial instruments which exposes it to interest rate risk. No financial instruments are held to mitigate that risk.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (December 31, 2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. As of December 31, 2020, approximately 92.8% (December 31, 2019 – 92.8%) of the Company's cash balances were held in interest bearing bank balances and fixed interest rate GICs.

	Profit	Equity
	$	$
December 31, 2020	49,157	49,157
December 31, 2019	73,257	73,257

Credit risk analysis

Credit risk is the risk that a counterpart fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	December 31, 2020	December 31, 2019
	$	$
Classes of financial assets - carrying amounts:		
Cash and cash equivalents	7,223,241	6,965,916
Short-term investments	-	3,546,123
Trade and other receivables	195,259	52,949
Carrying amount	7,418,500	10,564,988

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company mitigates its credit risk by providing customers incentives to pay in advance or invoicing with short credit terms and actively collecting its accounts receivable. The Company is exposed to credit risk through its cash. The Company manages the credit risk associated with its cash by holding its funds with reputable financial institutions. Company policy forbids investment of cash and cash equivalents into any financial instrument where the principal may be at risk.

Customer accounts are closely monitored for the amount and age of balances outstanding. Due to its credit practices, the Company has recorded nominal bad debt expense over the last several years. The Company's customers primarily consist of very large pipeline operating companies that are considered to be of very good credit quality.

The Company's management considers its financial assets to be of very good credit quality and records an estimate of credit loss for any portion considered impaired.

The aging of accounts receivable was:

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

	December 31, 2019		
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
	$		$
Current	35,481	-	35,481
Past due 30 to 60 days	17,468	-	17,468
Total	52,949	-	52,949

The Company reviews its trade receivables accounts regularly and an estimate of credit loss is recorded to reduce the accounts receivable to their expected realizable value when the account is determined not to be fully collectable. It is management's view that amounts outstanding from customers have no risk of not being collected.

Liquidity risk analysis

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages this risk by regularly evaluating its liquid resources to fund its current and long-term obligations in a cost-effective manner.
The Company's exposure to liquidity risk is mitigated through its continued ability to sell subscriptions to use its software and services and the prompt collection of accounts receivable. The Company controls its liquidity risk by managing its cash and cash flows.

The Company's financial liabilities are short-term in nature and payment is due within one year. Financial liabilities outstanding were December 31, 2020 - $838,959 (December 31, 2019 - $767,647).

The Company considers cash flows from financial assets of $7,418,500 (December 31, 2019 - $10,564,988) in assessing and managing liquidity risk. The Company's existing cash resources and trade receivables exceed its current cash outflow requirements. Cash flows from trade and other receivables are contractually due within two months.

SIGNIFICANT ACQUISITIONS

The acquisition of the assets of Bridge Solutions Inc. on July 5, 2015 described on page 5 of this document was a significant acquisition by the Company although disclosure was not required by the Company pursuant to Part 8 of National Instrument 51-102. There have been no material acquisitions since the Bridge acquisition.

DIVIDENDS AND DISTRIBUTIONS

The directors of the company have the discretion to declare and pay dividends on any class or classes of shares or any series within a class of shares issued and outstanding, subject to any rights, privileges, restrictions and conditions which the directors may have attached to a series of preferred shares and subject to corporate and security laws.

Following the sale of the Serenic subsidiaries, on August 29, 2014, $3,950,559 was paid to shareholders as a return of capital. On September 12, 2014, $2,886,947 was paid to shareholders as a dividend. No further distributions nor dividends have been paid since that date. The Company's current policy is not to pay dividends in order to retain cash to grow the business.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares with no-par value and an unlimited number of preferred shares with no-par value.

Common Shares

Holders of common shares are entitled to one vote per common share at meetings of shareholders of the Company, to receive dividends if and when declared by the board of directors and to receive pari passu the Company's assets upon the winding-up, liquidation or dissolution of the Company, subject to the prior rights and privileges attaching to any series of preferred shares of the Company.

Preferred Shares

The authorized preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. Holders of preferred shares are not entitled to receive notice or vote at any general meeting of the Company. The shareholders have equal rights on dissolution, liquidation, winding-up or other distribution of the Company's property among its shareholders for the purpose of winding-up its affairs.

Shares Outstanding

On April 9, 2019, the Company entered a bought deal stock offering with Clarus Securities Inc., Beacon Securities Inc and Cormark Securities Inc. and issued and sold an aggregate of 11,500,000 commons shares at a price of $0.80 per share. The gross proceeds from this offering was $9,200,000.

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

As at March 23, 2021, the Company had outstanding 116,068,147 common shares, 8,967,667 stock options with an average strike price of $0.42 and an average remaining life of 2.11 years. Of these, 6,951,004 are exercisable at an average strike price of $0.40.

There were no preferred shares outstanding.

Additional information on the capital structure of the Company can be found in the audited financial statements for the year ended December 31, 2020 filed on SEDAR at www.SEDAR.com.

Exercise of Share Purchase Warrants and Stock Options

In 2020, directors, officers, and employees exercised 2,660,000 stock options with an average strike price of $0.13 and expiry dates between January 30, 2020 and October 31, 2021 to acquire the same number of common shares. Cash proceeds were $346,650. In Fiscal 2020, 100,000 stock options were cancelled prior to completion of the related vesting period.

Market for Securities

The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "OSS" and on the U.S. OTCQB Venture Market under the symbol "OSSIF".

The following table presents the monthly price range and volume traded of the Company's common shares on the TSX Venture Exchange for each month from January 2019 to December 2020.

Year	Month	Share Prices			Share Volume
		High	Low	Closing	
2019	Jan	$ 0.640	$ 0.480	$ 0.590	2,350,052
	Feb	$ 0.720	$ 0.560	$ 0.680	2,707,023
	Mar	$ 1.030	$ 0.670	$ 0.920	7,164,921
	Apr	$ 0.960	$ 0.790	$ 0.840	3,201,446
	May	$ 0.940	$ 0.830	$ 0.800	4,559,543
	Jun	$ 0.840	$ 0.690	$ 0.670	1,382,228
	Jul	$ 0.720	$ 0.660	$ 0.700	1,928,243
	Aug	$ 0.830	$ 0.680	$ 0.770	2,329,242
	Sep	$ 0.790	$ 0.650	$ 0.640	653,486
	Oct	$ 0.680	$ 0.590	$ 0.600	1,274,935
	Nov	$ 0.700	$ 0.600	$ 0.600	1,148,127
	Dec	$ 0.620	$ 0.590	$ 0.600	944,234
2020	Jan	$ 0.720	$ 0.530	$ 0.670	1,932,900
	Feb	$ 0.690	$ 0.470	$ 0.520	5,930,377
	Mar	$ 0.580	$ 0.190	$ 0.315	6,572,494
	Apr	$ 0.455	$ 0.255	$ 0.450	1,809,288
	May	$ 0.530	$ 0.385	$ 0.470	1,353,299
	Jun	$ 0.480	$ 0.415	$ 0.450	1,505,731
	Jul	$ 0.495	$ 0.425	$ 0.440	1,298,419
	Aug	$ 0.465	$ 0.420	$ 0.420	1,410,841
	Sep	$ 0.720	$ 0.395	$ 0.600	3,673,625
	Oct	$ 0.620	$ 0.455	$ 0.460	2,116,664
	Nov	$ 0.570	$ 0.430	$ 0.430	2,456,520
	Dec	$ 0.660	$ 0.415	$ 0.580	3,150,527

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

Designation of Class	Number of Securities held in escrow or subject to a contractual restriction on transfer	Percentage of Class (%)
Common Shares	nil	nil%

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of the directors and executive officers of OneSoft, the province and country of residence, the position held by such director or officer of the Company, their principal occupations for the five preceding years, the period for which each has been a director of the Company, and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised. The term of office of each of the directors expires at the next annual general meeting of the shareholders.

Name, Province and Country of Residence	Position and Year First Elected as Director	Principal Occupation During Past Five Years	Common Shares Owned or Controlled Directly and Indirectly as at December 31, 2019,
R. Dwayne Kushniruk [(1) (2)] Edmonton, Alberta Canada	Director, January 2000	Chief Executive Officer of the Corporation since August 1, 2014 prior to which he was Chairman and Director of Business Development of the Corporation	11,506,000 (9.9%) [(3)]
Ronald Odynski [(1) (2)] Edmonton, Alberta Canada	Director, February 1998	Chair of Ogilvie LLP in Edmonton.	3,820,473 (3.3%)
Randy Keith Alpharetta, Georgia USA	Director, March 2008	Business consultant March 2019 Previously, Chief Executive Officer and Director of Profitkey International, Salem, N.H. June 2017 - March 2019. Previously, President and Chief Executive Officer of the Corporation from July 1, 2007 to August 1, 2014.	1,208,900 (1.0%)
Doug Thomson, FCA [(1) (2)] Edmonton, Alberta Canada	Chair of the Board, April 2010	Corporate Director; Retired;	4,163,066 (3.6%)
Brandon Taylor Boise, Idaho USA	President and Chief Operating Officer	President and Chief Operating Officer, OneSoft Solutions since October 2018, previously Chief Technology Officer and President, OneBridge Solutions, Inc.	5,245,389 (4.5%) [(4)]
David Tam, Edmonton, Alberta, Canada	Corporate Secretary February, 1998	Partner, Parlee McLaws LLP legal firm, Edmonton, Alberta, Canada	2,573,591 (2.2%)
Paul Johnston Edmonton, Alberta Canada	Not Applicable	Chief Financial Officer since 1995. Mr. Johnston is an accredited CPA CMA and has more than 35 years of accounting and finance experience.	2,202,167 (1.9%)

(1) Member of audit committee.

(2) Member of corporate governance and compensation committee.

(3) R. Dwayne Kushniruk, a director of the Company, owns, directly or indirectly, 5,499,470 common shares of record and beneficially owns 1,431,250 common shares though his wholly owned corporations. He controls 4,575,280 common shares through his partial ownership of Bridge Solutions Inc. which owns 11,731,486 common shares.

(4) Brandon Taylor owns directly 3,954,926 common shares of record and controls 1,290,463 common shares through his partial ownership of Bridge Solutions Inc. which owns 11,731,486 common shares

Committees of the Board

The Board of Directors has an audit committee and a governance and compensation committee.

Audit Committee

The Audit Committee assists the Board in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. The committee oversees the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, which includes discussions with external auditors. The committee monitors the management of financial risk throughout our organization.

Our audit committee operates under a written charter that sets out its responsibilities and composition requirements. A copy of this charter is attached as Appendix “A” to this Annual Information Form.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company in the 10 years preceding the date of this Annual Information Form, was a director, chief executive officer or chief financial officer of any company that was (a) the subject of an cease trade or similar order or an order that denied any such company access to any exemption under securities legislation for a period of more than 30 consecutive days, while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (b) subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer which resulted from an event that occurred whicle that person was acting in the capicity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of the Company to materially affect its control is or was, in the 10 years preceding the date of this Annual Information Form, within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency related legislation or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Legal Proceedings

On July 27, 2020 OneBridge Solutions Canada Inc., Tim Edward and Dwayne Kushniruk (collectively the "Plaintiffs") filed and served a Statement of Claim (the “Lawsuit”) upon Darren Gerling, Jason Gerling, and Cylo Technologies Inc., (collectively the "Defendants"), as a result of multiple alleged breaches of the terms and conditions of a Software License Agreement ("SLA") entered into in October 2014, that governs the terms and conditions by which the Defendants can use certain intellectual property owned by the Company. The intellectual property and SLA were acquired in the July 2015 purchase of assets from Bridge Solutions Inc. (collectively the "Bridge IP"). Management believes it is prudent for the Company to continue to vigorously protect value for shareholders by protecting all of its intellectual property, including the Bridge IP and all legacy and current technologies, and related contractual rights. The Lawsuit is currently in process. A provision has not been made for future legal expenses nor for any potential benefit the Company may eventually realize from this action, as no estimate of award is probable.

Interest of Management and Others in Material Transactions

Other than what may have been discussed herein, no director or executive officer of the Company, or any person or company that beneficially owns, or who exercises control over, directly or indirectly, more than 10% of the outstanding common shares of the Company, or any associate or affiliate of such persons, had any material interest, direct or indirect, in any transaction or any proposed transaction within the three most recently completed financial years or during the current financial year which has materially affected or would materially affect the Company or any of its subsidiaries, other than the following:

Private placements

On July 30, 2015, the Company completed a non-brokered private placement consisting of 20,000,000 units ("Units") of the Company at a price of $0.05 per Unit for gross proceeds of $1,000,000. Each Unit was comprised of one (1) common share and one (1) common share purchase warrant entitling the holder to purchase one (1) additional common share of the Company at a price of $0.10 per common share for a period of thirty-six (36) months following the date of closing, subject to an acceleration clause.

In March 2016, the Company closed a private placement of an aggregate of 16,666,666 units ("Units") of the Company at a price of $0.075 per Unit for gross proceeds of $1,250,542. Each Unit was comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share of the Company at a price of $0.15 per common share for a period of twenty-four months following the date of closing, subject to an acceleration clause.

Directors and executive officers participated directly or indirectly in these private placements.

All warrants pertaining to the private placements have been exercised.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the common shares is Computershare Trust Company of Canada at its office in Calgary, Alberta.

MATERIAL CONTRACTS

There are no material contracts, other than contracts entered into in the normal course of business, which have been filed with the Canadian securities regulators pursuant to section 12.2 of National Instrument 51-102, *Continuous Disclosure Obligations,* within the most recently completed financial year, or before the most recently completed financial year and remain in effect, with the exception of the following material contract:

In December 2017, the Company and a major client entered into a contract to transform the client's on-premise pipeline asset management software to a remote-access, SaaS software application to be offered to customers. The contract successfully concluded in December 2018. The Company provisionally owns the software, which will become absolute provided minimum royalties of U.S. $2.25 million are paid based on revenue generated by rights to use the components of the software in the ten-year period ending December 20, 2027. In the year ended December 31, 2020, royalty expense of US $167,078 (December 31, 2019 – US $99,575) was recorded

INTEREST OF EXPERTS

Grant Thornton LLP, Edmonton, Chartered Professional Accountants, have audited the financial statements for the year ended December 31, 2020. Grant Thronton have been the Company's auditors for the last seven years.

Grant Thornton LLP has advised that it is independent with respect to the Company in accordance with Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the most recent Management Information Circular. Additional financial and other information with respect to the Company is contained in the Company's audited consolidated financial statements for the year ended December 31, 2020, and the Company's Management's Discussion and Analysis for the fiscal period ended December 31, 2020.

All information and filings relating to the Company may be found on SEDAR at www.sedar.com.

APPENDIX A: THE AUDIT COMMITTEE'S CHARTER

Purpose

The overall purpose of the Audit Committee (the "Committee") of OneSoft Solutions Inc. (the "Corporation") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Corporation's independent auditors.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").

2. A majority of the members of the Committee shall be independent and who, in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least two (2) members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

7. Meetings of the Committee shall be conducted as follows:

   (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
   (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
   (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

8. The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

9. The overall duties and responsibilities of the Committee shall be as follows:
   (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
   (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;

(c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfillment of its duties and responsibilities.

10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;

(b) to review and approve the fee, scope and timing of the audit and to approve the engagement of, and fee of, the external auditors for any other related services rendered by the external auditors;

(c) review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review with the external auditors, upon completion of their audit:

i) contents of their report;

ii) scope and quality of the audit work performed;

iii) adequacy of the Corporation's financial and auditing personnel;

iv) co-operation received from the Corporation's personnel during the audit;

v) internal resources used;

vi) significant transactions outside of the normal business of the Corporation;

vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

viii) the non-audit services provided by the external auditors;

(e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and

(f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

11. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors, if applicable, are to:

(a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

(b) review and approve the internal audit plan; and

(c) review significant internal audit findings and recommendations, and management's response thereto.

12. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

(a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

(d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

13. The Committee is also charged with the responsibility to:

(a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(b) review and approve the financial sections of:

i) the annual report to shareholders;

ii) the annual information form, if required;

iii) annual and interim MD&A;

iv) prospectuses;

v) news releases discussing financial results of the Corporation; and

vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

(c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
(d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
(e) review and report on the integrity of the Corporation's consolidated financial statements;
(f) review the minutes of any audit committee meeting of subsidiary companies;
(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
(h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

14. The Committee shall have the authority:
(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
(b) to set and pay the compensation for any advisors employed by the Committee; and
(c) to communicate directly with the external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Doug Thomson, Ron Odynski and Dwayne Kushniruk. All the members, except for Dwayne Kushniruk, are considered independent, and all the members are financially literate. "Independent" and "financially literate" have the meaning used in NI 52-110 of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

Mr. Thomson has over 35 years of senior executive and financial experience in a variety of roles and industries. He has a Bachelor of Commerce from the University of Alberta, is a Chartered Professional Accountant, a Fellow of the Chartered Professional Accountants of Alberta and holds the ICD.D designation as a certified director from the Institute of Corporate Directors. He currently sits on the Board of one other organization and is a former President of the Institute of Chartered Accountants of Alberta.

Mr. Odynski has practiced law with Ogilvie & Company of Edmonton , Alberta since 1975 and is the Chair of the Firm. He was admitted to the Law Society of Alberta in 1975, appointed Queen's Counsel in 1990, and is a graduate of the Institute of Corporate Directors, holding the ICD.D designation. Mr. Odynski has extensive experience providing legal services to healthcare institutions and advanced technology companies.

Mr. Kushniruk has been directly involved in the startup, financing and ongoing management of several financial software companies during the past 30 years, including several TSX Venture Exchange listed (or equivalent) companies. During this period, he has developed an extensive understanding of financial systems, financial statements and accounting standards, Canadian and international capital markets and listed company disclosure requirements.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Grant Thornton LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee must review and approve the fee, scope and timing of the audit and must approve the engagement of, and fee of, the external auditors for any other related services rendered by the external auditors.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES:

The aggregate fees invoiced to the Corporation by the external auditor during the period of the last two fiscal years are as follows:

	Year ended December:	
	2020	2019
Audit fees	$71,405	$93,733
Tax fees	22,386	23,136
All other fees	1,685	54,317
Total Fees:	$95,476	$171,186

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.